WEATHER DATA APPEAR ON PAGE 16

No. 31,417

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PARIS, WEDNESDAY, FEBRUARY 22, 1984

Mondale Wins Iowa Caucuses; Glenn Is Fifth of 8 Democrats

By Howell Raines New York Times Service

DES MOINES - Former Vice President Walter F. Mondale won a commanding victory in the lows Democratic caucuses Monday, and Senator John Glenn of Ohio, running far back in the eight-candidate field, suffered a defeat that threatened to seriously damage his presidential candidacy.

Senator Gary Hart of Colorado came in second, and George S. Mc-Govern, the former senator from South Dakota who was the Democratic presidential nominee in 1972, was third.

Senator Alan Cranston of California trailed them, falling short of his announced goal of an undisputed third-place finish, and Mr. Glenn was fifth in the field. Both Mr. Cransion and Mr. Glenn placed behind votes for uncommitted delegates.

Trailing the field were former Governor Reubin Askew of Florida, the Rev. Jesse L. Jackson and Senator Ernest F. Hollings of South Carolina. Neither Mr. Jack-

GENEVA - The Soviet Union,

in its first major arms control state-

ment under the leadership of Kon-

stantin U. Chernenko, made Tues-

day what Western experts said was

a significant concession in negotia-

tions to outlaw chemical weapons.

Soviet negotiator at the Geneva

Disarmament Conference, an-

nounced that Moscow would agree

of chemical weapons by interna-

The question of verification has

been the main block to a chemical

Moscow believes occasional veri-

efication is sufficient, Mr. Issraelyan

said, but it had decided to accept

the principle of permanent verifica-

tion to "unravel one of the most

complicated and major tangles in

Later, Louis G. Fields Jr., the

however, that "while this appears in Afghanistan,

U.S. delegate, said Washington

welcomed the statement. He said,

Road Tie-Ups

Spreading in

-West Europe

have gripped France for a week

own slowdown.

al air terminal, and the capital;

the Italian resort at the mouth of

customs officials.

to jam the suburban rail link.

In the Alps. more than 500

trucks lined up near Courmayeur.

lice said more than 1,000 trucks

were blocked on both sides of the

border at Chiasso, the main crossing point for north-south traffic

passing through Switzerland.

At the Brenner Pass, the busiest road link connecting Italy, Austria

and West Germany, hundreds of

after talks with Irish officials Tues-

day. Mr. Mitterrand's motorcade

took a detour to avoid the block-

Meanwhile, French coal miners,

ed to hold a national demonstra-

tion in Paris on March 2. On Tues-

revent future traffic delays at bor-

said 8 million francs (about \$1 mil-

(Continued on Page 2, Col. 5)

the Mont Blanc tunnel. Swiss po-

in France, as government-union alks began, truckers blocked roads

between Charles de Gaulle Airport at Roissy, Paris's chief international

Compiled by Our Staff From Dispatches

PARIS — Striking French truck drivers blocked roads around Paris

Tuesday while the traffic jams that

Switzerland and Austria as Italian

customs officials resumed their

weapons treaty, under discussion

by the conference since 1978.

to the principle of permanent on-site verification of the destruction

: tional inspectors.

the negotiations."

Viktor L. Issraelyan, the chief

Russia Makes Concession

In Chemical Arms Talks

resolved."

son nor Mr. Hollings campaigned chance of catching Mr. Mondale in actively in lowa. this year's campaign. But even in a state where voters

Although the results were not complete, it appeared that about 84,000 Democrats had turned out for the caucuses.

According to Democratic Party figures, quoted by The Associated Press, with 94 percent of the 2,495

Glenn must revitalize his campaign in time for three Southern primaries in March. Page 3.

precincts reporting, the percentages were:

Mr. Mondale — 48.9 percent Mr. Hart — 16.4 percent Mr. McGovern — 10.2 percent Uncommitted — 9.3 percent Mr. Cranston — 7.4 percent Mr. Glenn — 3.4 percent Mr. Askew - 2.4 percent Mr. Jackson - 1.5 percent Mr. Hollings — 0.4 percent Others — 0.2 percent

The race for second and third places was watched closely because of strategists' predictions that only those candidates would have a

Soviet change on permanent verifi-

know how significant until we get

down to substantive negotiations."

The U.S. State Department told

the United Nations Tuesday that

Soviet use of chemical weapons in

Afghanistan dropped sharply last

year as had the use of Soviet-sup-

plied chemical weapons in Cambo-

dia and Laos. The Associated Press

reported from Washington.
In previous years, the adminis-

tration had charged that more than

19,000 people were killed by chemi-

cal weapons in the three nations,

where resistance lighters are op-

The State Department report noted that the United States was

unable to confirm a single Soviet

chemical weapons attack last year

posing Communist governments.

■ Soviet Use of Chemicals

like to shake up campaign rankings, no one had predicted the poor showing of the man expected to be Mr. Mondale's main opponent. Mr. Glenn's strategy of depending on his personal celebrity as an astronaut rather than grass-roots organization appeared to put him at an insurmountable disadvantage.

Mr. Mondale, on the other hand,

depended on a big, disciplined or-ganization that sent out an estimated 1,000 door-to-door canvassers Polling by CBS News of voters

leaving the caucuses indicated a widespread rejection of Mr. Glenn's central theme: that he was the Democrat most likely to defeat President Ronald Reagan in the fall. The pollsters found that threefourths of those voting for Mr. Mondale did so because they regarded him as the party's strongest opponent to Mr. Reagan. At his hotel in Des Moines on

Monday night, Mr. Mondale said the vote represented "a great victory, perhaps a spectacular vic-tory" that rested on the same appeals he will use in the next test of his campaign, the New Hampshire primary on Feb. 28. Mr. Mondale said the results in-

dicated that voters "want a more civilized dialogue" among Democrats. He was condemning speeches to represent a breakthrough in one and television commercials in facet of the chemical warfare negowhich his opponents have questiations, there remain many equally tioned his leadership ability and his difficult outstanding issues to be independence from labor and other groups that have endorsed him. Another Western delegate, who

"It's my impression that there asked not to be named, said, "The has been a negative reaction Soviet change on permanent verifiagainst these charges," Mr. Moncation is significant, but we will not dale said.

Iowa has an outsize influence in the Democratic nominating process. Since 1972, when Mr. McGovern started his roll to the nomination by finishing a stronger-than-expected second, lowa's caucuses have been watched as trend-setting events almost equal in importance to the New Hampshire primary. Those attending Monday's Dem-

ocratic caucuses were electing delegates to county conventions, who in turn will select delegates to the May 5 congressional district conventions and the June 9 state convention. At the end of that process, Iowa's national convention delegation, which will account for 58 of the 3,933 delegates in San Francisco, will have been chosen. Mr. Hart, Mr. Glenn and Mr.

(Continued on Page 3, Col. 1)



Former Vice President Walter F. Mondale and his wife, Joan, celebrate victory in Iowa.

Editor Says '82 Invasion of Lebanon Thwarted PLO Recognition of Israel

met with PLO officials.

By David K. Shipler New York Times Service

JERUSALEM - An Israeli editor and leftist politician, Uri Avnery, said Tuesday that before Israeli invaded Lebanon, the Palestine Liberation Organization had negotiated with the United States a statement recognizing Israel and had scheduled it for release in Paris on June 14, 1982.

The Israeli invasion took place June 6, provoking the PLO to cancel the announcement. Mr. Avnery said in a telephone interview. He said that the information had

come to him from the late Dr. Issam Sartawi. the PLO's roving ambassador. Dr. Sartawi, an outspoken moderate, was assassinated in April 1983 at a meeting of the Socialist International in Portugale

According to Dr. Sartawi's account as reported by Mr. Avnery. the negotiations between the PLO and the United States were conducted through Tunisia, apparently paralleling contacts at the same time through John Edwin Mroz, a specialist in Middle East affairs. Mr. Avnery is a former member

PLO and Mr. Kreisky was then Haig.'

would be Tunisia."

chancellor of Austria. According to and editor of Haolam Hazeh, a Mr. Avnery, Dr. Sartawi met with leftist magazine. He has frequently One of those meetings, in En-

gland, was the genesis of the Mroz and Sartawi initiatives, he said. Since 1975, U.S. policy has been or negotiate with the Palestinian organization until it acknowledged Israel's right to exist and accepted relevant United Nations resolu-

tions. Dr. Sartawi's effort, Mr. Avnery said, was to get the PLO to satisfy the American condition. "By the end of 1981," Mr. Avnery said, Dr. Sartawi "got the green light from Yasser Arafat to try to get American-PLO negotiations harted. He had conversations with Bruno Kreisky in Vienna, with officials of the British Foreign Of-

Eight days before Mr. Sartawi fice in London, the Elysée Palace in Paris and the European Economic Community in Brussels, and he decided that the best intermediary

President Habib Bourguiba of Tunisia, who sent Prime Minister Mohammed Mzali to Washington. "I'm not sure whom he met in

Washington," Mr. Avnery said. "I believe it was Haig," he said, referring to Alexander M. Haig Jr., based on a pledge to Israel that referring to Alexander M. Haig Jr., Washington would not recognize then secretary of state. "but I'm not certain. He talked with people there and came back to Tunis and said he had a positive response."

Then, he added, over the next months "there was an exchange of messages to prepare the statement that the PLO was supposed to give. The PLC wanted to be sure that the text of the declaration would be acceptable to the Americans, wanted the Americans to commit themselves in advance that the text would satisfy the demands."

was to read the PLO statement, Mr. Avenry said, the Israeli Army invaded Lebanon and "Issam Sartawi said he was sure he was Mr. Arafat is chairman of the double-crossed by Alexander proven effective."

Israeli Army **Makes a Foray** South of Beirut

BEIRUT - Israeli troops advanced to within 20 kilometers (12 miles) of Beirut on Tuesday as U.S. marines said they had received fi-nal orders to withdraw to ships off the Lebanese coast.

tions for more than six hours north

speaking at a news conference in returning to Beirut.

that, eventually, a locally recruited Lebanese force might be able to replace Israeli troops occupying southern Lebanon and secure Isra-

el's northern border. In Tel Aviv, Defense Minister Moshe Arens told a closed meeting

Arens said that the air strikes and the patrols were not meant to support the beleaguered government President Amin Gemayel but rather were aimed at defending the security of Israeli soldiers in Lebanon and of Israeli territory near the Lebanese border.

even have diplomatic relations with Israel. We are defending our interests, and we must protect, to the best of our ability, the lives of our soldiers. At least until now, the operations of the air force and the land forces north of the Awali have The Israelis were seen manning

positions at the southern entrance

Witnesses said a column of 36 Israeli tanks; armored personnel carriers and trucks took up posiof their lines along the Awali River Awali

They said the troops had first appeared to be establishing fixed positions, but a spokesman at Israeli military headquarters in southern Lebanon said their presence there was temporary. Prime Minister Yitzhak Shamir,

Brussels, described the operation as a patrol excursion and said Israel had no intention of moving its embark aboard ship." He said the front line north of the Awali or of Mr. Shamir said Israel hoped

of politicians from the ruling Likud bloc that army patrols had probed 12 kilometers north of the Awali in search of Palestinian guerrillas, Israeli Army radio reported. Mr. Arens reportedly described

the operation as the biggest of 30 patrols since Israeli forces in Lebanon pulled out of the Chuf mountains and redeployed along the Awali near Sidon last September. Interviewed on Israel Radio, Mr.

"We are not allies of Gemayel," Mr Arens said. "Lebanon doesn't

Security Accord Is a First for Pretoria Maputo Pact Seen as Recognizing S. African Legitimacy

By Glenn Frankel

CAPE TOWN - White-ruled South Africa, long considered a political untouchable by the rest of the continent, is about to achieve what a few months ago was widely held to be impossible: a formal security agreement with one of its black-ruled Marxist neighbors.

The South African foreign minister, R.F. Botha, returned from Maputo late Monday after eight hours of talks with Mozambican officials with a commitment that the two nations would sign a nonaggression pact as soon as possible.

here that President Samora Machel While details of the pact have

His visit touched off speculation

of Mozambique, who met with Mr. Botha and two other senior South African cabinet ministers for 90 minutes Monday, would hold a summit meeting within the next few weeks with Prime Minister Pieter W. Botha of South Africa to sign a formal security agreement.

the "two governments will not allow any form of subversion against For Pretoria, that means obtain-

NEWS ANALYSIS

be used as a launching pad for attacks inside South Africa by the African National Congress, the main black nationalist movement dedicated to overthrowing white

For Maputo, it means a South African pledge not to support the Mozambique rebel group, the Mo- said Michael Spicer of the South zambique National Resistance, whose insurgents are pursuing a campaign of economic sabotage and violence that has exacerbated the country's desperately serious economic problems.

But implicit in the pact is something possibly even more important for South Africa — a recognition of its legitimacy that it long has not been worked out, Foreign Min- sought but never received from any

ister Botha said Monday night that politically significant, independent black state. A similar recognition is implicit in Angola's agreement last week to

form a joint committee with South ing guarantees from Mozambique Africa to monitor the cease-fire that it will not allow its territory to now in effect along the Angolan border with the South African-controlled territory of South-West Africa, also known as Namibia.

But political analysts say a formal nonaggression pact goes several steps further, effectively committing Mozambique to helping defend South Africa's borders by blocking guerrilla attacks.

"It gives the seal of approval for the South African government, Africa Institute of International Affairs in Johannesburg. "It could prove quite costly in political terms for the Mozambicans.

South Africa's right to exist as a state dominated by a white minority has never been recognized by the Organization of African Unity. of which Mozambique is a prominent member. Mozambican diplo-(Continued on Page 2, Col. 1)

of the town of Damour, 20 kilometers south of Beirul, the farthest north they have been sighted since they withdrew to the Awali. The column then split up to take

positions at Damour and two other points a few kilometers farther south, witnesses said. Later, dozens of Israeli vehicles were seen pulling back to the

At the U.S. Marine base at Bei-

Gemayel appears to be nearing the end of his political career. Page 2.

rut International Airport, an army

spokesman, Colonel Ed McDon-

ally usi-the 00.

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ten-ant

ald, said the 1,300 remaining marines had received orders "to reoperation would take place over the next few days. President Ronald Reagan announced on Feb. 7 that the marines would be withdrawn, except for a

small force that would remain to guard U.S. facilities and to train the Lebanese Army. He made the decision as the U.S.-backed goverument and army of Mr. Gemayel crumbled under a series of political and military defeats by Moslem In the past two weeks, Israeli armored columns have regularly

come north of the Awali crossing point in southern Lebanon. Israeli planes have bombed targets near Beirut twice in three days. Israeli military officials say the

purpose is to stop Palestinian guerrillas from moving south through Druze lines to Israeli positions and to demonstrate to Druze forces that Israel expects them to keep the guerrillas out. Israeli planes bombed targets in

the mountains within sight of Beirut on Tuesday.

They bombed villages on a ridge east of the capital in an area around the mountain town of Shandour which Israeli planes also hit on Sunday Syrian-backed Druze militias are

the main force in the area, but pro-Syrian Palestinian guerrilla groups also maintain a small presence there, and Syrian troops are stationed a few kilometers to the east. Ten Israeli planes took part in

the attack, according to radio reports, and an Israeli spokesman said they all returned to base after hitting "terrorist targets." Opposition sources in Beirut

said, meanwhile, that Syria appeared to be in favor of Moslem demands for Mr. Gemayel's resignation, although Damascus has not called for his removal. The sources said Syria's sole

public condition for backing a set-tlement in Lebanon was outright cancellation of last May's troop withdrawal agreement between Lebanon and Israel.

This was relayed to Mr. Gemayel on Monday by the Saudi mediator, Rafiq Hariri, after talks in Damascus between Syrian officials and Lebanese opposition leaders, the sources said

The sources added that Saudi Arabia had proposed a new fourpoint initiative involving:

· Appointment of a new prime

• Public abrogation of the Lebanese-Israeli agreement by Mr. Gemayel and the prime minister-des-

• Resumption of a national reconciliation conference at Geneva to discuss political reforms.

 Subsequent formation of a cabinet by the new prime minister.

trucks were stopped on the first day of a three-day slowdown by Italian East Germany Becomes in Dublin, Irish truckers, protesting the chaos on French high-Advocate of Détente ways, parked eight tractor-trailer rigs on the road President François Millerrand of France was to use

By William Drozdiak Washington Past Service

BERLIN - East Germany, long considered an obedient supporter protesting planned job cuts, decidof hard-line diplomacy as dictated by Moscow, is now emerging as one of the East bloc's strongest advoday, they ended a strike that shut cates of détente and cooperation down the majority of French mines with the West.

Spurred by public discontent for two days. In Paris, Transport Minister with the economy and anxiety Charles Fiterman and the two asso- about nuclear weapons, the Comciations that represent most of munist government of Erich Hon-France's 32,000 independent truckecker is courting fresh trade and ers opened negotiations on how to financial deals with Western counend the blockades, which started tries and urging early progress to-Thursday. Later Tuesday, the govward arms control in ways that no ernment said it would immediately longer suggest a complete identity ease border-crossing procedures of views with the Soviet Union. for truckers and organize more

Western diplomats noted that Mr. Honecker was "clearly uncomfortable" with the Soviet decision Mr. Fiterman said the governlast November to withdraw from ment proposed to set up permanent links with the Italian authorities to Geneva negotiations on mediumrange nuclear missiles in Europe der crossings in the Alps. He also and the subsequent deployment of new Soviet-built nuclear weapons.

lion) would be made available to on East German soil. The possibility that such dismay

in East Germany and other Warsaw Pact countries might be exploited to coax the Soviet Union back to the Geneva arms talks is believed to figure highly in the visit to Berlin this week by the U.S. assistant secretary of state for European affairs, Richard R. Burt. Mr. Burt, who will later visit Bulgaria and Hungary, will be holding

the first substantive foreign policy

discussions in East Germany by a

senior administration official. Oth-

Foreign Minister R.F. Botha, left, making the first South African ministerial visit since Mozambique's independence in 1975, met President Samora Machel Monday in Maputo.

er U.S. delegations have covered trade and agriculture issues. Mr. Burt met Tuesday with Hermann Axen, the East German Politburo member responsible for international affairs, and said he had told him of President Ronald Reagan's firm desire to achieve meaningful and verifiable arms reduc-

Mr. Burt said he had also told Mr. Axen that the United States was ready at any time to resume both the medium-range and state-(Continued on Page 2, Col. 4)

tions for improved East-West

INSIDE

Famine in Mozambique is estimated to have killed at least 100,000 people in the last few Page 3.

Strait of Hormuz is beginning to look serious. ■ Comets striking the Earth brought the extinction of the dinosaurs, a study says. Page 5.

I lran's threat to block the

■ International Manager, a column on issues and trends of interest to executives in international companies, begins in the Page 11. business section.

BUSINESS/FINANCE

A bombing in Kuwait helped investigators unravel a terrorist chain. A SPECIAL REPORT

INSIGHTS

■ Qatar after the petroleum boom: Learning to live with less TOMORROW

The political opposition in the Philippines is seriously split over participation in elections.

Mikhail Sholokhov, Disputed Author Of Soviet Epic Novel, Is Dead at 78

MOSCOW - Mikhail Sholokhov, 78, the Nobel prize-winning Soviet writer whose later years were clouded by accusations of plagia-rism over his epic novel "And Quiet" and was the major reason he was Flows the Don," died Monday night, a spokeswoman for the Soviet Writers' Union said Tuesday.

She said the author died at his home in the village of Veshenskaya in the southern region of Rostov, but she refused to give details of the cause of death. Mr. Sholokhov, a staunch sup-

porter of the Soviet system from the 1920s through Stalinism to the Kremlin establishment as the country's leading writer and had received seven Orders of Lenin. He something which has also caused bitterly condemned the dissidents doubts among other Russian literof the 1970s, once implying that in any experts. the 1920s they would have been shot, and he flung crude insults at writers such as Alexander Solzheni-

chiefly for "And Quiet Flows the sympathy in other writings for any-Don," a four-volume epic about one but Bolsheviks.

Sholokhov a worldwide reputation awarded the Nobel Prize for Litera- in his last 20 years, became one of ture in 1965. In 1974. Mr. Solzhenitsyn published a study alleging that the dealing with heroic, working-class

Sholokhov at all, but largely by Fyodor Kryukov, a cossack writer who was strongly anti-Communist. Mr. Kryukov died in 1920. A historian, Roy Medvedev, also disputed Mr. Sholokhov's authorpresent day, was upheld by the ship and said that at 23 he was too young to have published such a detailed novel about cossack life,

The novel's hero is torn between his loyalty to the cossacks and the Bolshevik forces they are fighting. and Mr. Medvedev argued that Mr. Mr. Sholokhov was famous Sholokhov had never shown any

Mr. Sholokhov did not respond, the cossacks of the Don River area. but the government daily, Izvestia. The novel, which was published be- bit back with a 5,000-word article tween 1928 and 1940, earned Mr. rejecting all arguments challenging Mr. Sholokhov's authorship. Mr. Sholokhov, who wrote little

the great exponents of the orthodox

Soviet style of Socialist Realism,

book had not been written by Mr. characters intended to serve as models to the reader. Mr. Sholokhov was born on May 24, 1905, on a farm near Veshenskaya, the son of a cattle trader. His schooling was disrupted by the 1917 Revolution and subsequent civil war. He joined the Red Army

as a machine-gunner at the age of

In 1922, he went to Moscow to began his literary activity, publishing his first book at the age of 20. In the 1960s and 1970s, Mr. Sholokhov launched a series of veiled literary attacks on disgraced or dissident writers, usually describing them as insects or vermin. Boris



Mikhail Sholokhov

vago." was a hermit crab in one work as a stonemason and there such piece. Mr. Solzhenitsyn a beetle in another.

Mr. Sholokhov was one of the few Soviet writers never to have gotten into trouble with the authorities, and editions of his works are always available in bookshops, which often have only limited sup-Pasternak, author of "Doctor Zhi- plies of most other titles.

Gemayel's Lease on Political Life Seems Near Its End

By David B. Ottaway

Washington Post Service BEIRUT - President Amin Ge-

mayel, to all appearances, is trapped in an impossible position between three outside powers, none of whose support he can count on. and is nearing the end of his political tether.

In this light, his ill-fated gambit of offering Syria a set of "conces-sions" that Moslems and Christians alike here immediately saw as unacceptable to Damascus has done little more than earn him another few days' lease on his political life while negotiations continue with the Syrians.

Moslem-dominated West Beirut no longer accepts Mr. Gemayel as president, and his realm, which never extended much beyond the city limits of Beirut, is reduced to the presidential palace in Baabda and Christian East Beirut.

He can no longer count on his full U.S.-trained army, shattered by defections, defeat and religious strife. The army numbered at latest count only about 6,000 combatready troops out of a total force of 12,000 to 13,000 men still believed loyal to his government.

presidential palace at Baabda, dearly for its mistakes here and three miles (4.8 kilometers) below, elsewhere in the Middle East.

Many Christians fear that President Ronald Reagan, who only last September declared Souk el-Gharb vital to U.S. interests and ordered

NEWS ANALYSIS

warships to help defend it, no longer cares whether it falls and will not peat those orders.

The remaining hope for the Gemayel government, in the view of many, is Israel, which shows increasing signs of discontent with the return of Palestinians to the Ali Bhutto of Pakistan and the shah Beirut area. Israeli patrols have of Iran. pushed northward from the Awali River to Damour. Israeli jets have pounded what Israel said were new Palestinian positions there and in the mountains.

Mr. Gemayel even if he decides to implement the 1983 Lebanese-Israeli agreement, because of strong domestic opposition to any further military ventures in Lebanon.

No outsider knows exactly what forces are poised for an assault on parently waning U.S. support for rulers of the Gulf. . . If the United the army's last stronghold in the his government. But Christian States cannot do it with the Ma-

open the way to their march on the another ally and that it will pay

A former Christian cabinet minister and longtime observer of U.S. foreign policy recently spoke of a meeting he had with Mr. Gemayel last fall. He said he had warned Mr. Gemayel not to depend too heavily on the advice and support of Washington because of its many conflicting interests in the Middle East. He reminded Mr. Gemayel of the fate of other U.S. allies who he said had made that mistake, including Ngo Dinh Diem of South Vietnam, Adnan Menderes of Turkey, Zulfikar

A deeply disappointed Naoum Farah, the Phalangist Party foreign affairs spokesman, who like many East Beirut Christians is troubled by the American posture, called the But even among the Christians, current situation "a major global few believe Israel is ready to save defeat for Washington" and "a time bomb" that will blow up in the years to come.

If President Hafez al-Assad of Syria "succeeds in putting his grip on Lebanon." Mr. Farah said, "after that it will be the turn of Jordan Syrian-backed Druze militia Mr. Gemayel is thinking of the ap- and King Hussein and then the

with the Iranian threat in the support for the Gemayel govern-

While Druze radio has begun calling Mr. Gemayel "the shah of Baabda," it is not clear yet whether the comparisons of his situation to those of other ill-fated U.S. allies is valid. But, like others, he has belat- from his present isolation. edly offered a series of concessions and reforms only to find that they are, as his chief Druze opponent, Walid Jumblat, said, "too late and too little.

The latest examples of these concessions came in what Mr. Gemayel apparently erroneously de-scribed as "King Fahd's plan" to resolve the current crisis. Its eight points, drawn up as the Saudis tried to mediate, appeared to be a carefully devised Lebanese plan to avoid making the very hard deci-sion of whether to abrogate the divisive 1983 Lebanese-Israeli troop withdrawal accord, which requires choosing between Lebanon's two powerful enemy neighbors, Syria and Israel.

The plan links abrogation of the accord to new negotiations with Israel to ensure the security of its northern borders and the simultaneous withdrawal of Syrian and Israeli troops, all as part of a package deal. It attempts to please Wash-

mountains southeast of the capital leaders are saying openly that the rines and the task force it has here, ington, Tel Aviv and Damascus at at Souk el-Gharb, whose fall would United States has abandoned yet how can the United States deal the same time and to maintain U.S.

Syria flatly rejected the propos-als and demanded that Mr. Gemayel unilaterally abrogate the 1983 accord before it will discuss other steps that might extricate him

Moslems and Christians saw the plan as unacceptable to Syria if only because it calls for the simultaneous withdrawal of its forces and those of Israel, a demand that Damascus could only interpret as an insult.

In other countries in similar circumstances, the leader would probably be regarded as finished. But Lebanese analysts keep reminding outsiders of Lebanon's history.

For example, Mr. Gemayel could be driven from the presidential palace by force and remain president. Something similar hap-pened in May 1976, when President Suleiman Franjieh had to abandon the palace under heavy artillery fire from Palestinian and Lebanese leftists seeking to overthrow him Among them were the Druze, then led by Walid Jumblat's father, Kamal, who was assassinated the fol-

only way he would be forced out of Syria and Mr. Jumblat.



Amin Gemayel

office was "in a coffin," moved the presidency to the Christian mountain heartland and hung on until

the new president, Elias Sarkis, took office in September 1976.

Interestingly, Mr. Gemayel has now turned to Mr. Francish, a member of the opposition National Salvation Front, for solace and for mediation between him and both

Strikes in Rome Begin a Day Early

could ruin their farmers.

entry to the community, expected by 1986:

ROMF. (AP) - A series of strikes began in Rome on Tuesday, a day early, as workers protested the government's decision to limit an

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WORLD BRIEFS

NEW DELHI (Reuters) - New Hindu-Sikh violence rocked the state

of Punjab in northern India Tuesday night as gummen shot and killed nine persons and injured at least 12 in two villages, the Press Trust of

The agency gave no details about the identities of the dead or life attackers, but informed sources said that all nine victims were Hindus

and the attackers were Sikh extremists. In an effort to prevent reprisal-

The killings brought the total deaths in eight days of violence in Panjab and the neighboring state of Haryana to 37, with about 300 injured.

Spain Protests EC Entry Conditions

BRUSSELS (Combined Dispatches) — Spain formally professed Tuesday proposed restrictions by the European Competitive on its fruit and vegetables as negotiations opened on the farming terms of Spain's

After a negotiating session Tuesday, the French minister of externa relations, Claude Cheysson, said that all present member states agree in

Sept. 30 target date for an end to the regotiations on Spain's entry. The community proposals, made final Monday after two years of disputes, mean farm trade barriers would be scrapped within a decade of Spain's entry. The group's Mediterranean states had held up talks, fearing that a flood of cheap Spanish fruit, vegetables, wine and olive of the could with their farmers.

attacks. Indian agencies do not identify the sides involved in comm

9 More Reported Killed in Punjab

India news agency reported.

wage increases.
The Communist wing of the General Union of Italian Workers, a majority in the 3.5-million member union, called a 24-hour general strike Wednesday in the Rome region. Railroad workers, however, walked off their jobs Tuesday afternoon, and the state railways reposted up to twohour delays on long-distance trains leaving Rome, with some local trains-

The protests have split Italy's powerful labor movement. Giorgio Benvenuto, the Socialist labor leader, said the strikes were "irresponsible" and said "at this point, the union federation is finished." Wednesday. day's planned strike threatens to paralyze airports and public transportstion and to close newspapers, schools, factories and public offices.

Bonn Coalition Outlines Tax Cuts

BONN (Reuters) - Chancellor Helmut Kohl's three-party coalition agreed Tuesday on preliminary outlines of major income-tax cuts that are a major part of the government's economic strategy, government sources

Preliminary talks attended by ministers and party leaders set a ceiling on cuts of 25 billion Deutsche marks (393 billion) a year, but left timing and financing open. Pinance Minister Gerhard Stoltenberg is seeking to finance about half the cuts through higher indirect taxes and reduced subsidies, but no decisions were made.

The sources said the Finance Ministry would submit a first draft of a tax-reform program by the end of May.

Nicaragua Sets November Elections

MANAGUA (AP) — The Sandinist government will hold elections for president and vice president on Nov. 4, the coordinator of the Nicaraguan junta, Daniel Ortega Saavedra, announced Tuesday. Both officials will serve six-year terms, Mr. Ortega said.

The elections, which had not been expected before 1985, would be the

country's first since the Sandinist National Liberation Front toppled the government of Anastasio Somoza in July 1979. The junta asked the Council of State, an appointed body that serves as the legislature, to extend voting rights to people 16 years of age and older.

Carlos Nonez Tellez, president of the council, said the Sandmists were committed to "fair, free and honest" elections. The pledge followed a warning by Sandinist opponents that they would boycott the elections unless the government lifted a state of emergency in effect for nearly two years and met other demands.

historical heir of German ruling Paraguay Assailed on Human Rights

LONDON (AP) — Amnesty International, the human rights organiza-This concern about legitimacy is most pronounced in the economy tion, has attacked the government of Paragnay for the arrest, torture, disappearance and forcible expulsion of citizens trying to exercise basic peted its economic achievements in

In a report for release Wednesday, the London-based group said that Paraguayan jails held about 50 political prisoners in October 1983, "many of them regarded by Amnesty International as prisoners of "After the austerity squeeze of the last couple of years, the last thing that the government wants to

The group also called on the government of President Alfredo Stroessner, who has ruled the country since 1954, to account for 45 persons who it said disappeared after being arrested or abducted or who died under unclear circumstances. It said many were active opponents of the govern-

Soviet Condemns U.S. Arms Policies.

MOSCOW (AP) — The Soviet press on Tuesday renewed its aftack on U.S. arms control policy, denoting what it called "reckless, adventurist actions" and restating Kremlin demands that the NATO missile deployment be canceled.

Three major national daily newspapers and the news agency Tass ran lengthy commentaries on arms control. The Tass report made clear that Soviet conditions for returning to the Geneva talks remained as they were before the death of Yuri V. Andropov on Feb. 9.

"The Soviet Union is ready to resolve on an equal footing the problem of nuclear weapons in Europe," wrote Yuri Kornilov, the leading Tass arms control analyst. "This takes one thing," he said. "Before it is too late, the United States and NATO should display readiness to return to the situation which existed prior to the commencement of deployment of Pershing-2 and cruise missiles."

Warsaw Priest Asks End to Protest

WARSAW (UPI) — A Catholic priest, whose removal from his parish prompted an angry protest by parishioners, asked his supporters Tuesday to end a church sit-in and follow their bishop's orders.

The Rev. Micczyslaw Nowak returned to his former parish and

appealed to the protesters to end their action, witnesses said. The church takeover, which began last weekend, had grown into a major challenge to Cardinal Jozef Glemp's authority before Rev. Nowak stepped in to appeal for calm.

Rev. Nowak, who was transferred to a small village parish last week, was the focus of the protest at St. Joseph's Church in Ursus, a Warsaw neighborhood known for its sympathy with Solidarity, the outlawed trade union movement. Cardinal Glemp personally ordered Rev. Nowak's removal, allegedly because he felt the 37-year-old priest was too critical of the Communist regime. The resulting outburst, in which Cardinal Glemp was accused of yielding to political pressure from the government, was at must all challenge to church authority. unusual challenge to church authority.

South African Policeman Sentenced

JOHANNESBURG (Reuters) - A white South African security policeman began a 10-year prison sentence Tuesday after being found

guilty of killing a black political detainer.

Lawyers said that Sergeant Jan Van As; 27, appeared to be the first member of the security police to be convicted of killing a detainer at South Africa. Sergeant Van As has devented shooting Paris Malatsi, 23, during interrogation in the black township of Soweto last July, saying that Malatsi committed mid-factoring of Soweto last July, saying that Mr. Malatsi committed suicide after grabbing his gun

Justice F.N. Kirk-Cohen, passing sentence in the Rand Supreme.

Court, said that Sergeant Van As had not intended to shoot Mr. Malassi
but had acted cold-bloodedly by holding a loaded gun to the prisoner's head in an attempt to intimidate him.

For the Record

Egypt and Israel have named a retired U.S. diplomat. Victor H. Dikeos. as head of the Rome-based Multinational Force and Observers headquarters, succeeding Leamon R. Hunt, who was assessinated outside his homein Rome last week, the organization said Tuesday, Mr. Dikeos, 60, 200 the deputy director of the Multinational Porce's Smail peaceteeping

organization between January 1982 and September last year (AP)

A junior British Foreign Office minister will visit Penis this week for
talks on a row over black British tourists. France, which accepts British
tourists with identity and British tourists. tourists with identity cards instead of passports for short visits, last year mirned back hundreds of black Britons, learning illegal immigration.

David, a 12-year-old boy who was bost without informity to disease and lived almost all his life in a sterile bubble, slipped from serious to critical condition Tuesday as doctors treated a find building in his best and lungs, officials at a Houston hospital said. David, whose last has not been disclosed, was removed from the public Feb. 7 alice suffering flu-like illnesses, diarrhea and vomiting. (AT)

Hong Kong Restructures Its Politics To Prepare for China's Takeover

By Dinah Lee

Washington Post Service HONG KONG - A new Chinese saying circulating in Hong Kong goes, "The more rights we have, the less security."

It describes in ironic terms the effect that Beijing's promises of democratic freedoms under Chinese sovereignty after 1997 have on the morale of five million people faced with no alternatives. It also sums up the sense of resignation in the British colony as a new round of diplomatic talks between China

"Everytime we ask Peking for some sort of real guarantee, they simply make more promises," said Lee Yee, founder and managing editor of The Seventies, an inde-

pendent political monthly.

ereignty over Hong Kong appar-system as evidence of the move ently settled, there has been new toward self-government. Under the momentum toward preparing the colony for China's takeover. The Hong Kong government is speeding up the process of changing the colonial system of government to

that of a self-regulating territory.

The assumption at the negotiation table is that if an acceptable solution to the problem of Hong Kong's administration can be reached, then the British will relinquish sovereignty over Victoria, Hong Kong's main island, and a small part of the mainland not covand Britain begins Wednesday in ered by the expiring treaty. The Beijing.

the colony's area. Hong Kong Chinese critics of the British cynically call this posi-

tion "retreat with honor." In the meantime, the Hong Kong government points to the recent

Security Agreement Seen As a First for Pretoria

(Continued from Page 1) ed that his government does not mats have conceded privately that condone apartheid and will never position from members of the organization over their rapprochement with Pretoria but argue that many of the same African states who shun South Africa quietly seek its

Zimbabwe, for example, refuses to have ministerial-level contact with Pretoria, but maintains strong economic ties and refuses access to

Mr. Machel has repeatedly stat-

Rebels Criticize Security Accord

United Press Interna JOHANNESBURG — The African National Congress indirectly accused Mozambique on Tuesday of perpetuating instability in southern Africa by agreeing to the prin-ciples of a nonaggression pact with South Africa.

Peace and apartheid colonialism are inherently mutually exclusive, the office of the ANC in Lusaka, Zambia, said in a statement telexed to Johannesburg. "No nonaggression pact will stop the ANC and the people of South Africa from fighting for their right to self-determination and liberation."

Mozambique has pledged to continue giving political and diplomatic support, but the terms of the agreement with South Africa will preclude military or logisitical

With the overall question of sov- expansion of the colony's electoral

to use its new relations with Mozambique as justification for its internal policies. In a speech Tuesday in Johannesburg, the deputy foreign minister. Louis Nel, said the new regional climate ruled out "attempts to change the stable order in South

independent black "homelands.

Africa, be it by economic sanctions, disinvestment campaigns or revolution. Several obstacles remain in the way of an agreement, not the least of which is the determination of anti-government forces in both

countries to continue their campaigns. A spokesman for the Mozambican rebels, Jorge Correia, said in Lisbon Tuesday that his forces would continue their sevenyear war against the Machel government despite any agreement with South Africa.

Despite such statements, the mood in both capitals remains jubi-

The South Africans, who were the first ministerial level officials to visit Mozambique since independence, emerged from the talks Monday at the headquarters of the National Bank of Mozambique to find several hundred Manuto residents lining the sidewalk. The crowd burst into applause, underlining again the optimism and enthusiasm the new rapprochement has generated.

expansion plan, district boards, which administer local affairs in Hong Kong, will have twice as many elected officials as appointed members starting with next year's elections.

Government sources say that further expansion of the democratic process will follow quickly. The British Foreign Office explains that the otherwise attractive idea of elections in Hong Kong was thought impossible for many years because of the Communist mainland's proximity and probable hostility from Beijing to the idea. But now that obstacle seems to have been overcome. Late last year, Ji Pengfei, Beijing's state councilor for Hong Kong affairs, raised the possibility of elections. The idea has since been made an official

proposal by the Chinese. And over the last month, Beijing in its own way has matched the Hong Kong government's push for more democracy. In December, Mr. Ji suggested unofficially that membership on the two existing governing bodies here - the legislative council and the executive council - be elected so that their membership is one-third pro-Chinese, one-third pro-British and

one-third neutral. recognize South Africa's nominally This suggestion was immediately met with skepticism, since it im-Nonetheless, it is clear that the plies the formation of inflexible South African government intends parties from which to elect such members and a less independent

choice of leaders. This so-called "three-three" system alarmed local Chinese who would prefer that Hong Kong stay

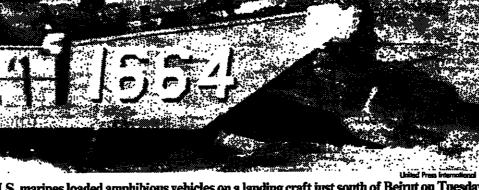
an apolitical commercial and financial center Significantly, the "three-three" proposal last week was sharply critcized by a columnist writing in a

pro-Beijing Hong Kong newspa-

Diplomats said that the critique of the "three-three" system was a sign that Beijing wanted to step back from the idea. However, a source said the Chinese statements regarding free elections "had a role in concentrating the mind of the Hong Kong government on the problem of self-regulation."

Instead of the "three-three" structure, the Hong Kong government is attempting a gradual introduction of elected offices at low level "to allow people to cut their teeth on bodies with limited powers, but to prevent a free-for-all." said one diplomat.

In line with moves toward more autonomy for the colony, the British are thought to be pressing the point with Beijing negotiators that Chinese assurances that Hong Kong will retain its commercial and civil freedoms are not enough to maintain confidence about the transition.



U.S. marines loaded amphibious vehicles on a landing craft just south of Beirut on Tuesday at the start of a withdrawal to ships of the 6th Fleet stationed just off the Lebanese coast.

East Germany an Advocate of Détente

(Continued from Page 1)

Foreign Ministry officials, noting that the Vienna negotiations on troop reductions in Europe resume on March 16, said they are "convinced that both sides will return to nuclear arms talks, but when and on what basis remains undecided."

Despite fears once expressed by Honecker about a age" over the missile crisis, the blossoming détente between East and West Germany even while relations between Moscow and Washpleasant surprise to both German into question.

profitable relations hold out the promise of a relaxation of two years of rigid austerity measures.

Volkswagen recently agreed to a \$200-million agreement to produce car engines in East Germany, and there is talk of another major loan underwritten by the West German government. Last month, East Germany granted several hundred more exit visas than usual to encourage the view that it is abiding by Bonn's wishes for more liberal human rights conditions.

But Western diplomats said that there have also been signs of a crackdown on contacts with relatives in the West, citing more restrictive controls on letters and telephone calls. In addition, the government has stepped up arrests of peace activists, whose protests inst Soviet as well as U.S. missiles have dropped dramatically.

This dual approach, combining an intensified campaign for detente with the West with harsher repression at home, reflects an omnipresent fear about being overwhelmed if not absorbed by the larger, much more prosperous West German state. More than 70 percent of East

German homes receive West Ger- as part of "a constant quest for gic arms talks with the Soviet man television, compounding the legitimacy." The government's recent celegovernment's insecurity about too brations of famous German permuch exposure to the West.

When the West German parliament recently affirmed a constitutional claim about the indivisibility of German nationality based on the 1937 borders, the East German government broke its trend of conciliatory messages with scathing

Foreign Ministry officials said that Bonn's repeated references to "a single German fatherland" ington remain tense, has come as a called East German sovereignty

"Behind this kind of talk lies the For the Fast Germans, more intention to eradicate us as a socialist state," an official said. "It's a contradiction to our policy of wanting to become good neigh-

"We have to accept realities as they are," he continued. "Both German states are not breathing their own free air, they belong to opposing political systems. Any attempt to cancel one or the other would destroy peace."

Western diplomats see East Germany's revived interest in détente

tell the people here is that they will have to tighten their belts another notch," a diplomat explained, The Honecker government's call for progress in arms control, while responding to palpable concerns about concentration of nuclear

within the East bloc.

authority.

sonalities, such as last year's 500th

anniversary of Martin Luther's

birth, have betrayed an intense de-

sire to be recognized as the rightful

because the government has trum-

past decades as the most successful

weapons in central Europe, is also rooted in its economic worries.

East German officials admitted that the arrival of new Soviet-built missiles on their territory has aroused little joy because the gov-

ernment will be required to pay for

Road Tie-Ups Spread In France, Italian Alps

(Continued from Page 1) truckers who found themselves in

Among other concessions, he said the government would call on insurance companies to reimburse truckers whose vehicles or loads were damaged when riot police attempted to break up road barricades in the French Alps last week-end. Representatives of the truckers' associations left the meet-

ing without making any comment Passenger cars in border areas were unaffected by the Italian cus- the Renault factory in the northtoms officers' slowdown, but se-east town of Sochaux will be laid verely hampered within France it-off from Wednesday as the plants self. However, motorists in France close for lack of parts deliveries. were beginning to find ways around the disruptions, getting to their destinations by tortuous but open back roads.

several main roads out of Paris as French truckers' protest. truckers conducted an "operation snailpace" maneuver, hogging the ring road around the French capital. But police headed off an attempt to blockade the main fruit

Police said the trouble on the roads, after lifting slightly Sunday financial difficulty because of the and Monday, was spreading again.
The National Traffic Information Center reported 111 road blockades in about half of mainland France's departments, up from the 50 blockades reported Tuesday morning. It said traffic around Charles de Gaulle Airport was at "a virtual standstill." As a result of the situation, some

of the 14,500 workers at the Citroën car factory in Rennes, western France, and 9,000 workers at Italian customs officers were working only from 8 A.M. to 2 P.M. as part of their work-to-rule

pen back roads.

Strike, which resumed Tuesday,
Huge traffic jams built up on Their strike last week set off the The problems at the Italian-French border were discussed in private talks Monday night between Mr. Mitterrand and Prime Minister Bettino Craxi of Italy dur-

(Reuters, AP, UPI)

and vegetable market at Rungis, ing a meeting in Milan. south of Paris.

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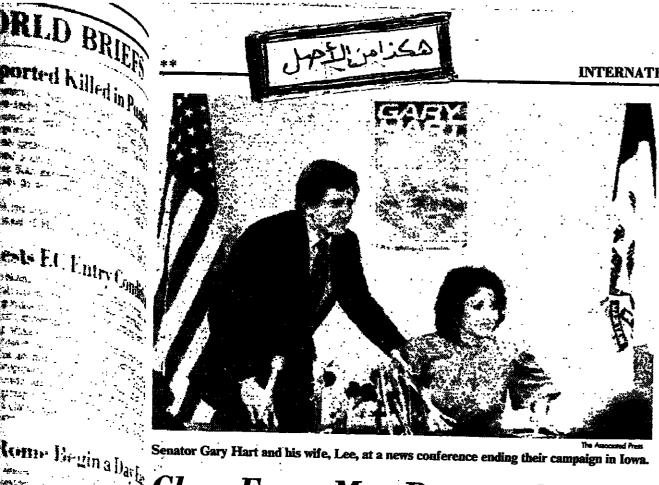
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Senator Gary Hart and his wife, Lee, at a news conference ending their campaign in Iowa.

Glenn Forces Must Regroup Quickly For 3 Southern Primaries in March

By Dan Balz and T.R. Reid Washington Post Service

DES MOINES - The poor showing of Senator John Glenn of Ohio in Monday's Iowa precinct caucuses will make it more difficult than ever for Walter F. Mondale's rivals to deny him the Democratic

With Senator Gary Hart or Con-rado emerging to challenge Mr. Mondale in next week's New Mondale in Mr. Glenn Hampshire primary, Mr. Glenn must revitalize his candidacy in time to confront Mr. Mondale in three primaries in Southern states that will be held March 13. - 'Mr. Glenn's campaign has been

sliding for months, and his performance in Iowa - a state long regarded by his advisers as difficult leading supporter in lowa, Rox-territory — provided a blow to his anne Conlin, a former gubernato-

would finish second in Iowa, if a fatal." distant second. But by falling to fifth among the eight candidates, he has compounded his problems in New Hampshire and perhaps weakened himself fatally in the South, which had been considered the crucial arena for his challenge to Mr. Mondale. Mr. Glenn said Monday night

that he hoped New Hampshire would be more hospitable. "We got out-hustled and out-organized and we didn't do well in lowa," he said in television inter-

New Hampshire. Obviously we won't do much worse."

(Continued from Page 1)

Cranston, in particular, were de-

pending on televised gibes at Mr. Mondale to offset their opponent's

plained in a typical commercial.

to dominate the outcome was never

huge lead in organization.

hamper him later.

Earlier, in a news conference in Boston, Mr. Glenn did his best to did not file full slates of delegates, brush off Iowa results.

Mr. Glenn repeatedly drew a distinction between the open caucus

NEWS ANALYSIS

procedure in Iowa and the secretballot primary in New Hampshire. "When you have a secret ballot,

the results will be different," he said. The voters of New Hampshire "are not going to be led around on a leash by anybody." In Des Moines, Mr. Glenn's

leading supporter in lowa, Roxcandidacy that he never expected. rial candidate, said, "It was a dis-Mr. Glenn long assumed that he appointment, but the blow is not

> gets kicked like that, it demoralizes his supporters." For Mr. Mondale, the decline of

> Mr. Glenn's campaign means that his only formidable challenger in the South has suddenly been forced to regroup and reassess the future of his candidacy. Mr. Hart, despite his surprising

showing in the caucuses in Iowa views. "We expect to do better in and the effective organization he has in New Hampshire, has so far made little impression in the South.

"I don't personally relish the Mondale Is Victor in Iowa and Congress of Industrial Organizations, whose leaders endorsed

AFL-CIO members were promi-We demand leadership, but we nent among the residents of nearby ger caution, compromise and spe-states who were bused into Iowa on cial interests," Mr. Hart com- Monday and for the past six weekends to distribute literature for Mr. Although Mr. Mondale's ability Mondale. Before arriving here, Mr. Mon-

million members.

threatened, many Democrats be dale campaigned Monday in lieved that he had sustained politi- Springfield, Illinois, where he cal damage in Iowa that could avoided any response to his opponents' criticisms. Instead, he con-Opponents have consistently demned Mr. Reagan and referred hammered at Mr. Mondale's ties to to himself as the president's inevthe American Federation of Labor itable Democratic opponent.

which means that Mr. Mondale

Mr. Hart said in New Hampshire on Monday that he hoped he could Florida received less than I perclose in on Mr. Mondale "incrementally" after having taken a "giant step" forward in Iowa. He has been running a fairly strong third behind Mr. Glenn in polls of New Hampshire Democrats, and he predicted Monday night that his good showing in lowa would propel him ahead of everyone but Mr. Mondale in next Tuesday's primary.

"The vote in lowa means that I will be the alternative to Vice President Mondale," Mr. Hart said. This race is going to come down to a two-candidate contest very fast.

"Having come from so far be-nation in the next 15 days. But I expect to win the nomination."

One thing now standing in Mr. Hart's way in New Hampshire is the candidacy of his former boss, former Senator George S. McGov-ern of South Dakota. Mr. Hart was Mr. McGovern's campaign manager in 1972, when he won the Democratic presidential nomination, and Mr. McGovern has said he would do nothing to hurt Mr. Hart's chances in the race.

idea of a head-to-head contest with Gary," Mr. McGovern said during a recent campaign trip in New Hampshire. But then, I don't see how I can bypass a state for sentihim on behalf of the federation's 13 Mr. McGovern said Monday

night that he was "delighted" about his third-place finish in Iowa, particularly since he had spent almost nothing on television or radio advertising. The Iowa result shows that "you can survive a political campaign without spending a lot of money," he said.

"I said right along I wanted to come in the top four, and it looks like I did, with one notch to spare," he said. "I think it's a great show-

Poll Shows Mondale Lead **In Primary**

New Hampshire Survey Puts Glenn 2d, Hart 3d

> By Barry Sussman Washington Post Service

WASHINGTON — Walter F. the strait. Mondale holds a large lead in New Hampshire one week before 1984's first Democratic presidential primary, with Senator John Glenn of Ohio running second and Senator Gary Hart of Colorado third, ac-cording to Washington Post-ABC sualties.

News polling in recent days. The front-runner is supported by 37 percent of the Democrats and independents who say they are cer-

The poll, in which 526 persons were interviewed from Feb. 13 through Feb. 20, shows Mr. Glenn the choice of 20 percent of those who say they are certain to vote. He draws most of his support from those who say they are indepen-Mr. Hart is backed by 13 percent

of those who say they are certain to vote, placing him slightly ahead of the Rev. Jesse L. Jackson, who was chosen by 10 percent. Former Sen-ator George S. McGovern of South "Stop hanging crepe all over this," he said. "We're going on to New Hampshire, and we're going on to New Hampshire, and we're going on to New Hampshire, and we're going the first of the f na and Senator Alan Cranston of California got 4 percent each, and former Governor Reubin Askew of

> What effect Monday's caucuses in Iowa may have on next week's primary is uncertain. Only 6 percent in the poll were unable to choose among the eight candidates, suggesting that most voters there may have made up their minds. At the same time, the large majority in the survey said they had not been following the race very closely. Beginning Feb. 13, about 75 peo-

> ple a night were interviewed by The Washington Post and ABC News. All had to meet the criteria of saying that they were registered as Democrats or independents and that, if they voted next Tuesday, it would be in the Democratic prima-

being hurt by the charge that he is making too many promises to special interest groups.

The poll asked whether people

agreed with that charge or whether they felt his promises "are ones that a Democratic candidate for president should be making." Among Mr. Mondale's support-

ers, 25 percent said he was making too many promises and 60 percent said he was not. Among backers of all the other candidates except Mr. McGovern, more than half said Mr. Mondale was making 100 many promises. New Hampshire supporters of

all the Democratic candidates were pessimistic about the chances of defeating President Ronald Reagan. Among Mondale backers, fewer than 4 in 10 said they believed Mr. Mondale could defeat Mr.

Venice Closes Canal Bridge The Associated Press

VENICE - The Ponte dell'Accademia, one of the major bridges across Venice's Grand Canal, was closed Tuesday because of fears that it might collapse.

U.S. Arms Buildup Produces Boom on West Coast

By Robert Lindsey

New York Times Service SAN FRANCISCO - From the hectic days of World War II, when its factories mass-produced ships and bombers, through the postwar era, when long-range nuclear missiles came out of many of the same factories, the West Coast has been a rich beneficiary of Pentagon bud-

It has been at least 15 years, however, since the West's military industries have enjoyed the kind of

REPORTER'S NOTEBOOK

esult of President Ronald Reagan's arms buildup. While other industries in the re-

tion, such as timber, farming and nomebuilding, are still recovering rom the recession, the arms buildip is stimulating the ecomony dong much of the West Coast.

To, has already received new orlers. And a new navy port, bringng 15,000 jobs and a \$400-millionyear payroll, will be established ither at Seattle or Everett on Puget lound for a carrier battle group eaded by the Nimitz.

Even Oregon, whose economy epends largely on logging and griculture, is feeling the effects of rcreased military spending as the edgling electronics industry near 'ortland supplies electronic deices for weapons systems.

The impact has been greatest in 'alifornia, which has about 10 perent of the nation's population and xpects to receive almost 18 perent of the Pentagon's dollars this

California, the builder of many eapons systems and parts, is exected to add tens of thousands of ew jobs this year. Economists say to slash a 200-yard diameter clear- of Beirut. ic impact will be even greater in

Although many Easterners reand the West Coast as a homogesurces. Westerners themselves added. ew one another through a differit prism.

San Franciscans have generally tended to regard people who live in Los Angeles as crass, unsophisti-cated and maybe too affluent for their own good. The phenomenon of North-look-

ing-down-upon-South has expanded to encompass the entire coast. It started a few years ago when Californians began discovering the fresh air and tall trees on the other side of the state line and began moving to Oregon.

As California has become more troubled by smog, inflated housing costs, congestion, crime and other noom they are experiencing now, a problems, still more residents have moved north, not only to Oregon but also to Washington and Idaho. Many are met with a welcome as deficit.

cold as a winter night in the Cas-

cense plates on an automobile in- members of both parties. vites insults. Some Washingtonians have bumper stickers that say, "Californians Go Home."

Edmund G. Brown Jr., who left the California governor's office 13 months ago, is not faring well in retrospective analyses of his eight-

year administration.
Last year, as California was struggling with a serious fiscal crisis, Mr. Brown, a Democrat, was frequently criticized for leaving his

cade Mountains. Many local peo- regarded as Mr. Brown's foremost for his seat.

For generations, for example, ple fear the newcomers will bring accomplishment, the enactment in Franciscans have generally California's problems with them. 1975 of the nation's first collective 1975 of the nation's first collective In some towns in western Washing-ton, the presence of California li-has come under fire from some

Mr. Brown is being accused of torpedoing the law's chances of success by appointing to the agency enforcing it people who were clearly loyalists of Cesar Chavez founder of the United Farm Workers. Mr. Brown's critics assert thatwhatever support the law had from growers has been lost. His friends deny the charge. Friends say Mr. Brown has not

given up hopes of running again for the presidency and would like to Republican successor, George try again in 1988. Or, they say, if Deukmejian, with a \$1.5-billion Senator Alan Cranston, also a Senator Alan Cranston, also a Democrat, decides not to seek an-More recently, what had been other term, Mr. Brown might run

In Washington state, the Boeing of the West Coast. U.S. Tells Little of Lebanon Shelling

By Rick Atkinson

WASHINGTON - Nearly two weeks after the heaviest U.S. naval bombardment since the Vietnam War, Pentagon officials have yet to disclose whether the intense shelling of targets around Beirut hit CBU-59 cluster bombs and laseranything of military significance or caused civilian casualties.

On Feb. 8, the battleship New Jersey fired 290 16-inch shells, each weighing about a ton, at Syriancontrolled positions 20 miles (32 kilometers) east of Beirut. That barrage was supplemented by 450

of a small car, is powerful enough ing out of dense jungle while also shredding trees and underbrush for 400 yards beyond, according to navy officials.

The impact leaves a crater 17 ous region with the same scenic yards (15 meters) in diameter and toreline and plentiful natural re- more than seven yards deep, they

shells and more than 1,300 5-inch poor performance by navy gunners shells have been lobbed into Leba- or more "collateral" damage to cinon, according to navy tallies. Attack bombers have also dropped a to admit. classified number of Mark-83 1,000-pound (450-kilogram) general purpose bombs, Mark-20 Rock-

guided bombs. "There will be a lot of holes," a Pentagon official said. "It ought to look like the moon up there."

lation. Spokesmen for Defense Sec- attack in Beirut. 5-inch shells from the destroyer retary Caspar W. Weinberger have said that aerial reconnaissance of A 16-inch shell, about the weight the damage has been hampered by soon after the Long Commission's bad weather in the mountains east

> A Pentagon official said last Friday that other information on effects of the shelling has remained secret for fear of compromising "sensitive intelligence sources."

Some officers said privately that the delay in releasing information is embarrassing and frustrating be-Since the U.S. warships first be- cause it generates suspicion that gan firing on Sept. 8, 301 16-inch the Pentagon is covering up either a ger's staff.

vilians than the United States cares

Two well-placed officials said that information from the U.S. forces in Beirut, including damage assessments, has had a much more restricted circulation in the Pentagon since the Long Commission concluded in late December that General Bernard W. Rogers, U.S. commander in chief in Europe, was Whether the holes are where the indirectly responsible for failing to navy intended them, however, re-mains a subject of Pentagon specu-killed in the October truck-bomb

An officer said that General Rogers issued official messages report, saying that he would decide what information is seen outside Reinut.

"It appears that he decided, 'If I'm going to take the blame, then I'm going to be in charge," the

The order had the effect of limiting much of the military cable traffic from Beirut to only the Joint Chiefs of Staff and Mr. Weinber-

U.S., Britain Said to Boost Gulf Strength

Compiled by Our Staff From Dispatches to news reports.

Diplomats told Newsday, a Iran might be preparing to carry out a long-standing threat to block The reports followed a weekend

claimed to have inflicted large ca-Iran reported Tuesday that it

had halted another Iraqi counterattack in the Abadan area of the southern from Iraq said it was reequipping its arsenal with weaponthat would crush Iran's six-day offensive. The Iranian revolutionary gov-ernment of Ayatollah Ruhollah

Khomeini has repeatedly threatened to close the Strait of Hornuz between the Gulf and the Indian Ocean during its war with Iraq, which started in September 1980. Newsday, in a dispatch from London, quoted Western intelligence officials as saying that Iran had moved strike aircraft, including some U.S.-made F-14 Tomcats sold to Shah Mohammed Reza

bear on tankers passing through the 50-mile-wide strait, they said. "It has moved from the threat stage to a real possibility," a senior Western diplomat told Newsday. Prime Minister Margaret Thatcher, speaking in Parliament,

refused to rule out the possibility

U.S. ships to protect the sea lanes. Asked for an assurance that British ships would not be engaged in the Gulf in cooperation with U.S. forces, Mrs. Thatcher said: "No, I can't give that assurance because in certain circumstances - we do not know what they might be -it might be in Britain's interest to join with American forces to protect that part of the world and the oil supplies so vital to the West."

Compiled by Our Staff From Dispatches

LONDON — The United States saying that Mrs. Thatcher had orand Britain are expanding their na- dered the aircraft carrier Invincible val strength near the strategic Strait to enter the area in the next few of Hormuz in the Gulf, according days. The carrier, with its Harrier jump jets, reportedly will join ships that were on convoy escort maneu-Long Island newspaper, that recent vers through the strait and will intelligence reports indicated that guard against any attempt to close the waterway.

British newspapers reported that a U.S. naval task force of nine vessels was heading for the Gulf of in which the war between Iran and Oman. The reports said that the Iraq escalated and both sides carrier Midway was among the Since Ayatollah Khomeini took

power in 1979, the United States has deployed a task force to ensure that the strait, through which one-sixth of the West's oil passes, would be kept open.
In Washington, the White House affirmed President Ronald Rea-

gan's commitment to keep the strait open but would not comment on the movement of naval vessels. The presidential spokesman, Larry M. Speakes, said Tuesday that the U.S. commitment "includes doing what's necessary." Asked if this commitment might involve military force, he said he "wouldn' nment on contingencies.' Iraq's warning that it would use

new weapons if Iran stepped up its offensive came in the governmen daily, Al-Thawra. The newspaper Pahlavi of Iran, to a base at Bandar Abbas near the strait, Land-based said that Tehran was preparing a artillery could also be brought to new attack. It said: "iraqi forces will employ weapons never used before. According to United Press Inter-

national, this was seen by Western diplomats as a confirmation of a Jane's Defense Weekly report that the Soviet Union had supplied Iraq with the SS-12 Scaleboard battlethat the Royal Navy would join field support missile to bolster its defenses against Iran's humanwave assaults. The Iraqi INA news agency said

that Iran was regrouping for a massive new attack on Iraqi towns. Quoting a military spokesman, it said the troops were massed in populated areas near the two countries 733-mile (1,200-kilometer) common border. "We will consider the massive

troop buildups inside Iranian vil-

Despite Mr. Mondale's strong lead, the poll suggests that he is 100,000 Reportedly Die In Mozambique Famine By Glenn Frankel pled Maputo's water filtration

Washington Post Service MAPUTO. Mozambique — An

estimated 100,000 people have died here in recent months from malnutrition caused by severe drought and disruption of food supplies by anti-government guerrillas, mak-ing this impoverished nation Africa's worst famine victim. International relief officials say

another 100,000 are likely to die over the next six months and that 4.7 million, more than one-third of the country's population, face the prospect of increased hunger.
Nearly 350,000 people have

country's isolated interior and made their way to government relief camps to seek food and shelter. Some have trudged on foot for more than 50 miles (81 kilometers) to the camps, carrying their few possessions on their backs. Another 30,000 have crossed the border into neighboring Zimbabwe, where food distribution is far better despite the fact that it, too, faces a third year of serious drought.

Government officials say hundreds of children have been abandoned by their parents and that these and other children below age 5 face the greatest risk of death from starvation or related diseases. According to a United Nations

report prepared two weeks ago here, Mozambican farmers can supply only about 15 percent of the 379,000 metric tons of corn, wheat and rice needed to maintain the population through the end of April. The bulk of supplies is expected to come through donatons from Western countries, Japan, the Soviet Union and Vietnam, and from commercial imports. But there will still be a deficit, the report said.

Equally alarming, according to relief officials, is the fact that the government has no projections be-yord April 30. "No one knows where the food will come from after that," said a representative of a major Western relief agency.

Adding to the misery was a cyclone last week that dumped several inches of rain on Mozambique, Swaziland and South Africa, killing more than 120 people and washing away freshly planted seeds that of- of U.S. emergency food supplies in ease the famine. Flooding also crip- cials.

plant, leaving the the city's population of 800,000 without piped water for at least 10 days. The southern provinces of In-hambane and Gaza have suffered

the most so far, with nearly 60 percent of the population classified as "severely affected." These provinces also are among those most affected by raids by anti-govern-ment insurgents of the Mozam-bique National Resistance move-ment (MNR), which diplomats here believe receives the bulk of its support from South Africa. The Ministry of Internal Trade

had destroyed or damaged 500 rural centers used for distributing seed, fertilizer and other essential farming supplies and for warehousing food products. It has put total losses in buildings, farm equip-ment, trucks, tools and food at \$15 million, more than 10 percent of the total rural network. Worst hit, according to aid work-

ers, have been the small family farms that the Marxist government has turned to in recent months in hopes of reversing the country's in-creasing shortfall in food produc-

Mozambican military officials contend they have made major inroads in recent months against the Mozambique National Resistance, including capturing the organization's operations base in southern Mozambique. But guerrilla raids have continued to hamper the movement of food and other supplies into the interior of the coun-The combination of the drought

and guerrilla attacks has also been a key factor propelling the Mozambicans into ministerial-level talks with South Africa. Officials hope to receive increased South African investment and a lessening of South African support for the MNR.

More than a dozen international agencies have begun setting up relief programs in Mozambique and a number of countries are shipping in food. The United States already had shipped in 43,000 tons of food this year, equivalent to the amount it provided for all of 1983, making Mozambique the largest recipient ficials here had counted on to help Africa, according to American offi-



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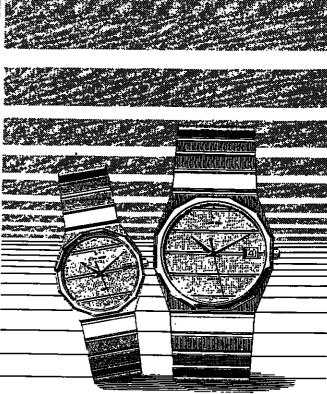
Turkey, Iraq's only major oil ex-the largest single consumer of oil port outlet, exploded Monday after from the Guif. a pressure buildup on a pipe near

insect there is an insecticide."

lages and towns as military tar- the southern Turkish town of Adagets," the spokesman said, accord- na, a Turkish Energy Ministry offiing to INA. "For every harmful cial told Reuters. He did not say how long repairs would take. Iran's oil shipments, which fi-

The strait is policed by Oman nance its costly war effort, have with major support from Britain been seriously disrupted in recent and the United States. Despite the months as Iraqi jets have destroyed current world oil glut, blocking the

(Newsday: UPI, Reuters)



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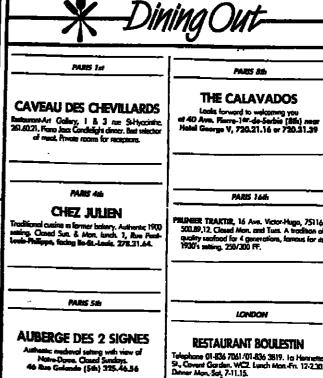
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Syria Is Calling the Shots

settlement in Lebanon collapsed over the weekend? It almost seems that its prime defects, in Syria's eyes, were that President Gemayel accepted it and that it was not specifically a Syrian plan. Also, it failed to satisfy Syria's root demand for Beirut to undo the Lebanese-Israeli agreement of last May 17. Mr. Gemayel had promised in November to work for the changes that would remove the May 17 accord as an object of contention among the Lebanese. But he has been reluctant to give up the connections to Israel and the United States — lifelines for the Christians, as he sees them - embodied in that agreement. The longer he waits, the more is asked of him. Now not only his Druze challengers but also the more moderate Shiites demand his head.

The Israelis watch with foreboding the crumbling of the Lebanese government, which their policy did much to weaken and which. inconsistently, they had counted on to help

attacks, the Shamir government seeks to remind everyone — not least Israeli voters — that Israel remains ready to protect its own security. Jerusalem threatens to stay in Lebanon until a Lebanese government gives a "credible" anti-terrorist commitment. That is a formula for an open-ended, perhaps multi-year (multi-decade?) occupation. The Israeli

public is unlikely to support it.

President Reagan and his chief lieutenants are busy saying that their policy has not failed. or that others were responsible, and that anyway Lebanon is not all that important. They would do better to accept the painful truth that Syria is calling the shots now in Lebanon, support the Saudis and others who are trying to cushion the impact, and make sure that America's old friends in Lebanon are not led to believe further that Washington is in a position to bail them out.

- THE WASHINGTON POST.

A Mismanaged Economy

Other Opinion

This year Americans will probably buy \$100 billion more goods and services from abroad than they sell. As a result, the United States will soon become a net debtor, for the first time since World War I owing more to foreign-

ers than they owe to Americans.

Does it matter? In theory, no. As economic textbooks point out, international financial flows are self-correcting in the long run.

But in practice, yes. Such big trade deficits are a symptom of serious economic misman-

agement and a source of political tension that clouds worldwide economic growth.

Is there a remedy? Yes: for the government to reduce the domestic budget deficit.

Most prosperous nations run trade surpluses most of the time, lending money to other countries to cover the difference. But several factors have pushed America in the opposite direction, changing a S5-billion "current account" surplus as recently as 1981 into an estimated \$60-billion deficit this year.

First, debt crisis has forced Third World countries (notably Latin American) to reduce their purchases of foreign (notably U.S.) goods. Second, the U.S. economy is recovering from recession faster than other economies, and so America is increasing purchases of imported goods faster than other countries.

Most important is the lure to investments. High American interest rates and political instability abroad have made the United States especially attractive to foreign investors. Their fervor to buy everything from Treasury bills to shopping malls has pushed up the dollar's value relative to other currencies. The stronger dollar, in turn, makes it harder for American

Areas of Common Interest

Now is not the time for the United States

to reach for a political advantage at the Soviets' expense. Whatever opportunities for tacti-

cal success may seem to present themselves,

there is a greater need: to begin to repair the

relationship between the two superpowers.

Both ought to recognize that the enormous

political differences between them mask some

modest underlying areas of common interest.

Is Lebanon another Vietnam, another Iran?

In a way yes, in a way no. Like Vietnam and Iran, the United States found itself backing an

unpopular government, with no clear under-

standing of the underlying political landscape

in the country. Unlike Vietnam and Iran, Leb-

anon was never a part of the U.S. defense

alignment. The country was not lost because it

Lebanon is not a strategic country for the

United States, despite the rhetoric about Sovi-

et incursions into Lebanon. America still has

its allies in Israel, Jordan, Egypt and Saudi

Arabia, all of whom have a better understand-

ing of Middle East politics than the Ameri-

cans. America needs to learn that the way to

In bloodied Lebanon, President Reagan has

chosen to cut his losses. While politically awk-

ward, that is not a dishonorable stance. Leba-

non has fallen into political chaos, mooting the

whole premise for deploying the marines there.

Mr. Reagan's was a ragged decision, raggedly

timed, but it was better than keeping the ma-

What the retreat does, however, is dramatize

the confusion and uncertainty that afflict U.S.

rines on station to no clear purpose.

- The Jakarta Post.

win a battle oftentimes is not to fight it.

was never gained.

Lebanon: A Regional Affair

- The Chicago Tribune.

companies to sell abroad and easier for foreign companies to sell in the United States.

There is a bright side to trade deficits. The purchases of foreign goods that add to trade deficits also stimulate other economies, which need all the help they can get. But the policies that enlarge the American deficits are doing a lot more harm than good. Double-digit interest rates make it hard to refinance foreign debts. dimming the hopes that countries like Mexico and Nigeria will ever prosper — or that countries like Brazil and South Korea can handle the transition to democracy. The industrialized world has a big stake here, too.

The "overvalued" dollar has smashed U.S. farm exports and brought demands for quotas and tariffs to protect U.S. manufacturing. If the protectionists get their way, foreign counwould surely retaliate, raising prices

everywhere and damaging productivity.

Some economists call for direct measures to reduce the strength of the dollar, such as government intervention in foreign exchange mar-kets and limiting foreign investment in U.S. securities. But such measures are not likely to work very well or very long. Without an influx of foreign funds, the pressure on American interest rates would be even greater.

Only by reducing the demand for dollars can the United States tame its monumental trade deficit. And only by reducing the Treasury's insatiable appetite for borrowed funds to cover the federal deficit is the demand for dollars likely to be reduced. That is another good reason to drive down the deficit that the Reagan administration keeps pushing up.

policy toward Lebanon. It has been a policy swept along on currents of American ambiva-

lence - toward Svria, toward Lebanon's bat-

tered President Amin Gemayel, toward the

flabby Lebanese "peace" accord of last May. Seldom has there been coherence and consis-

tency, save in the administration's rhetoric and now even that pretense has been dropped.

- The Providence (Rhode Island) Journal.

The Lump of Labor Isn't Solid

Trade unions in Western Europe are on the

warpath for a reduction in working time. Em-

ployers and non-Socialist governments are

nervously scanning the smoke signals and pulling the wagons round in a defensive circle.

The dispute will get out of hand unless eco-

nomic common sense is allowed to break in.

of a cut in working time is little different from a rise in nominal wages. In a competitive

world, you do not save jobs by cutting hours or

raising wages. You export them to foreign competitors. West Germany's heavy industry

is kindly preparing to export jobs to the rest of

the world because the metalworkers' union, IG

Metall, is shaping up for a strike as it presses a

claim for a cut from 40 to 35 in weekly working

hours while it wants wages to increase by 31/2 percent. The union says this will reduce the

number of West Germany's unemployed by up

to 1.4 million, because it has fooled itself that

the amount of work to go round is fixed. That

If costs rise faster than productivity, firms will take steps to pay for fewer man-hours of work. After a while, because overtime rates

make their products more expensive, they will

reduce their operations, and West German

- The Economist (London).

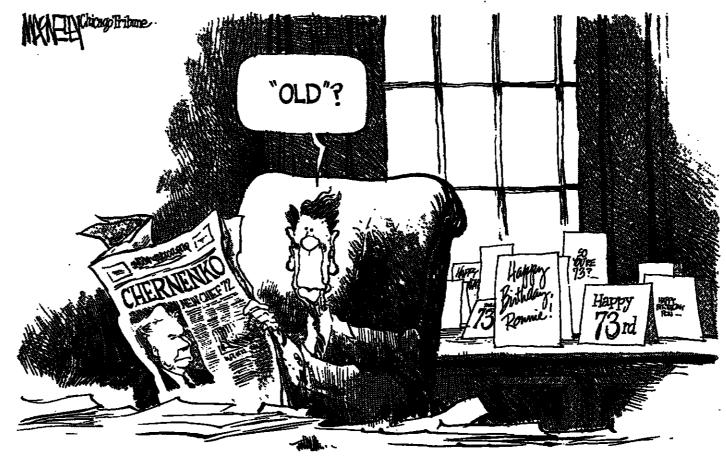
dole queues will lengthen, not shorten.

"lump of labor fallacy."

what economists have long dubbed the

Both sides need to recognize that the impact

- THE NEW YORK TIMES.



WEDNESDAY, FEBRUARY 22, 1984

Chernenko: Businesslike and Humorless

N EW YORK — At Yuri Andropov's funeral, those who watched his annual points. those who watched his successor, Konstantin Chernenko, could not miss his obvious satis-

out once in the contest for the general secretary ship of the party. Mr. Chernenko's amazing comeback is a manifestation of the Soviet system's political functioning, demonstrating the reluctance of the old-guard Politburo members to admit that the time has come for them to go. That group is unwilling to cede ultimate au-

thority to the younger generation. To retain their power, the majority of the members went so far as to accept as their titular leader a man they do not admire and have resented for years.

Key Politburo members, particularly the late Mikhail Suslov and Aleksei Kosygin, considered

much less for becoming their leader. Mr. Chernenko's main strength rests on his lifelong career as a professional party apparatchik. He belongs to the party elite, the true ruling class of the Soviet Union. Because he is a blood brother, the members of that elite will trust him more than someone who has not done

Mr. Chernenko is a master of wheeling and

ONDON - The extent to which

Americans are now physically at risk in the Middle East was illustrat-

ed by the killing on Jan. 18 of Dr.

Malcolm Kerr, president of the

that, after punishing the marines,

America's enemies in Lebanon are

U.S. intelligence has concluded

American University of Beirut.

looking for softer targets.

its policies have unleashed.

By Arkady N. Shevchenko

economic management or the processes of sub-stantive foreign policymaking. At Politburo meetings I attended, he rarely expressed his own views on substantive matters of foreign or domestic policy, invariably supporting his patron Mr. Brezhnev. His personal relations with An-drei Gromyko were rather cool; Mr. Gromyko preferred to deal directly with Mr. Brezhnev.

While Mr. Brezhnev was alive, Mr. Chernenko had considerable power as Mr. Brezhnev's close personal friend and confidant. As the technical secretary of the Politburo, and later a member of it, he had unrestricted access to all its secret information and private views, expressed in

meetings or through polling of its members.

The son of a Siberian peasant, a party member since age 20, he steadily made his way from the provinces to the top in Moscow, latterly as Mr. Brezhnev's aide and then almost as his alter ego. I met him after Mr. Brezhnev became the party leader in 1964, and had occasions to talk with him both in Moscow and in New York.

He is stocky and stoop-shouldered. For some time he has had emphysema, which has evidently become more serious recently. He did not impress me as a bright intellect but as a pragmatic, businesslike man who knows what he wants. He is demanding, rude, authoritarian, arrogant and dictatorial, and has immense self-confidence. He is so dull a public figure that, in my time,

there were not even the usual anecdotes or jokes about him. As younger men, he and Mr. Brezh-nev used to get together for heavy drinking sessions while they socialized. Nondrinking Soviet leaders such as Mr. Suslov, Mr. Kosygin and Mr. Gromyko despised his habit.

Generally taciturn, he tends to speak in sharp, abrupt sentences, frequently interrupting others, inspiring timidity in his subordinates, whether they are affected by his strong physical presence or connected to it only by telephone.

On a visit to New York in the mid-1970s, for instance, he had a Soviet lin the mid-1970s.

instance, he had a Soviet United Nations ambassador, known for his imperious behavior, quaking like a mouse. In Moscow I saw Vasily Makarov, Mr. Gromyko's powerful assistant, holding the telephone receiver with shaking hands while he answered Mr. Chernenko, on the other end of the line, in a stream of rapid yeses.

While I was United Nations undersecretary-general, Mr. Chernenko came to New York to examine the procedural work of the United Nations and its meetings. He showed some interest in the technical facilities of the United Nations but none in political discussions. He was all business and practically humorless.

This is the first of two articles. The writer was United Nations undersecretary-general, ambassador-at-large and a top political adviser to Foreign Minister Andrei Gromyko before breaking with the Soviet government in 1978. He contributed this comment to The New York Times.

faction at having achieved his life's ambition.

Leonid Brezhnev's protégé had already lost out once in the contest for the general secretary-

Mr. Chernenko a parvenu, a man without the proper qualifications for joining their group,

his life's work in the party.

dealing in the Central Committee, an ideologue and a propagandist. While he has an intimate acquaintance with the intricacies of party work. he does not have much experience or expertise in

Among Shiites, a Combustible Reservoir of Anger

Non skil . a devastating isra

The response of President Ronald Reagan and Secretary of State George Shultz has been 10 declare that the United States will not bow to terrorism. A decision has been made to tough it out. That response sug-gests that Washington has not wholly understood the nature of the forces

himself shot in the head. Since its foundation in 1866, the American University of Beirut has stood for a dialogue between Arabs and the West based on mutual respect and shared intellectual and humane values. Dr. Kerr was acutely aware that at some time in the 1970s the dialogue had broken down.

think only of how to protect its access to oil, get its lion's share of the petrodollars and keep Russia out by an increasing dependence on Israeli power. The interests of business and security, narrowly conceived replaced the earlier concern for a fruitful interaction between two societies.

act to safeguard a respectable slice of Palestine and curb Israeli excesses in Lebanon are discounted. The prevailing Washington view is that these discounted Tribune.

allies, dependent on America for protection and for a haven for their money, can be safely ignored.

institutions in the region.
The tragic irony of Malcolm Kerr's place in the nature of the challenge to American policies in the region. After death is that he was a bitter critic of the American policies to which he fell the Iranian revolution of 1978-79 — which should have been a fearsome victim. In an essay published last year, he warned that if the West conobject lesson of the anger that America had aroused among ordinary Iranians - Lebanon is driving the lesson home. Shia militancy is clearly far more dangerous than Palestinian guerrilla groups ever managed to be. According to official Israeli police statistics quoted in the Tel Aviv

newspaper Haaretz on July 16, 1982, 282 Israelis had died from all forms of Palestinian terror in the 15 years from 1967 to the invasion of Lebanon in June 1982. But Israel's massive

the Palestinians were.

anger of a vast popular base.

The Others May Not Be All Wrong

By David S. Broder

ONCORD. New Hampsture—
There is a split-screen quality to the political dialogue at this time of the year that is vesting but inevitable. The spokesmen for the opposing parties are not so much debating as they are talking past one another.

I experienced something akin to culture shock the other evening here when I heard Vice President George Bush make his first campaign speech of the year. After weeks of having my ears assailed by Democratic rhetoric, it was like moving to another world

ears assailed by Democratic rhetoric, it was like moving to another world—like going through the looking glass. Issues that had been very large in the Democratic speeches became insignificant in the Republican world. Issues that had not been there suddenly learned very large.

world issues that had been talk-ing about the "tragedy" in Lebanon, the failure of U.S. policy and its con-sequences in the Middle East. Mr. Bush dismissed that subject, saying airily. "It's not the end of the world." The Democrats, in all the speeches I had heard, had said nothing about

the decline of inflation. Mr. Bush dwelled lovingly on that topic, pointing out that "in the last year of the Carter-Mondale administration, inflation was running at 12.5 percent. Today it's down to 3.6 percent. Democrats focused on budget defi-cits, saying Mr. Reagan is adding more red ink to the ledgers than all

more red ink to the leagers than an previous presidents combined.

When Mr. Bush was asked about the deficits, all he said was that Richard Wirthlin's polls for the Reagan-Bush campaign showed that the public blames Congress more than the president by a 3-to-1 margin. "It may not be right," he said cheerfully, "but

7.65

that's what the people say."

What Mr. Bush wanted to talk about was the change in the national mood that has occurred during the Reagan presidency. Mr. Reagan, he said, "has restored America's confidence and respect." He quoted long passages from Jimmy Carter's 1979 "malaise" speech, in which Mr. Car-ter spoke of "a growing disrespect" for a system of government "that seems incapable of action."

Obviously, we are not going to go from now to November with the Democrats forgetting the heritage of Jimmy Carter and high inflation, or the Republicans brushing off Lebanon and the deficits as no big deal. But it would be useful to ask the Democratic contenders what policy change of President Reagan's they consider most valuable to carry over into their presidency. It would be equally interesting to ask Mr. Reagan what policy of his predecessor he has found it most useful to emulate.

Those questions highlight a fact of life that political campaigns, by their very nature, tend to disguise: There is

always a price for change.
It would be useful to know if any of the Democrats are willing to admit that there might be a lesson in the success Mr. Reagan has achieved in curbing inflation and in lifting the mood of the nation. It would be interesting to know if Mr. Reagan is ready to admit that Mr. Carter set a stan-dard for Middle East diplomacy or that his budgets were a better exam-ple of fiscal discipline than his own.

And it would be useful to remind voters, early in this election year, of the cost to the country of changing presidents and parties and indulging each new occupant of the White House in the conceit that he must pretend to change everything his predecessor has put into place.

A reminder of the folly of this

attitude came from an unexpected source, Senator Edward M. Kennedy. In a recent lecture at Kansas State University, the Massachusetts Democrat talked about the way in which foreign and domestic policy becomes
"the pawn of politics" in a presidential election year. Even the most nuclear war, has become a hostage of political tactics," he said.

: ÷ · . -

"In 1976 the Democratic nominee promised a better arms control agreement than the one already negotiated by President Ford. In 1980 the Republican nominee promised a better agreement than the one already nego-tiated by President Carter. The result so far is no agreement."

America has to do better than that. And one way to begin is to get both parties to admit that the other side may have a point.

The Washington Post.

FROM OUR FEB. 22 PAGES, 75 AND 50 YEARS AGO

1909: Battleship Fleet Returns Home OLD POINT COMFORT, Virginia - With the arrival at Hampton Roads of the repair ship Panther, the advance guard of the battleship fleet, it became known that the fleet passed through a hurricane on [Feb. 19]. The fleet will remain out of sight of Old Point Comfort until after daybreak [on Feb. 22]. when the ships will steam in for review by the President. The American battleship fleet, composed of sixteen warships, left Hampton Roads on December 16, 1907, and when it anchors in that port it will have been gone one year and sixty-eight days. No accident has marked the progress of the greatest armed fleet that ever made such a long voyage, and the battleships will steam into Hampton Roads in better condition than when they left.

1934: A Fund for Financial Freedom WASHINGTON -- The United States will observe [on Feb. 22] the 202nd birthday anniversary of George Washington, Father and first President of the nation, in the midst of a struggle for financial freedom which broadly dence which he successfully waged against Great Britain. President Roosevelt is striving fund" recently initiated by the President were conceded to be for the purpose of counteract-

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parallels the movement for political indepenfor self-control of the national currency. Steps to create a "\$2,000,000,000 dollar stabilization ing the British "equalization" fund of about \$1,800,000,000. The Government is determined to control the price of the dollar and of gold so as to raise commodity prices and contribute to economic recovery.

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Gromyko dialogue on the Middle East, and before Anwar Sadat's historic trip to Jerusalem.

By Patrick Seale

On Jan. 4, two weeks before Dr. made its marines a prime target raid on the Lebanese city of Baalbek killed about a hundred people and wounded 400, without a whisper of reproof from Washington. The victims were sons, daughters, nephews, cousins of the Shia population that continues to suffer daily harassment under the Israeli occupation of southern Lebanon, and from whom the gunmen at the American University of Beirut were most probably drawn. America's support for Israel's in-

vasion of Lebanon in June 1982 and its apparent inability to restrain Israel since or get it to withdraw have

tion that it has a "legitimate right" to

a diplomatic presence in the region. The Soviet Union has already ben-

efited from the vacillation of U.S.

policy in the Middle East, just as the

United States benefited in the Euro-

missile quarrel from Moscow's blun-

ders - ironic confirmation that in

the superpower confrontation, each

side's gains are mainly the product

of the other's losses.

But while the Soviet presence

might be necessary to ratify any re-

gional solution, it could also be a

mistake to bring the Russians in too soon and thus allow them to block

It could even be Amin Gemayel.

The paradox today is that the

French, who still have troops in Bei-

rut, are more willing to leave Leba-

Lebanon: France Lowers Its Sights in Frustration

By Dominique Moïsi

PARIS — As the power of President Amin Gemayel evaporates. significant differences are emerging between France and the United States over Lebanon.

Although troops from the two countries have worked and died to-gether in Beirut, French and American solutions to the crisis differ. The French advocate a United Nations force to replace the multinational peacekeepers. They do this partly to retain some dignity and credibility on their way out, but also as a calculated gamble vis-à-vis Moscow. Washington has given ambivalent

signals about accepting a new UN force, since it would implicitly favor the Soviet position in the region.

For the Reagan administration, the Lebanon mudpit is part of the global East-West confrontation: What is at stake is not so much the

future of Lebanon as the spread of Soviet influence in the region. For the French, Lebanon represents a strictly regional conflict: What is at stake is not superpower credibility but historical responsibility. This reasoning is reinforced by France's historical ties to its former mandate. These differences help explain France's ardent quest for diplomatic

alternatives to what have proved to be military non-solutions. For Paris, the best device to ensure what French officials describe as a withdrawal "with panache" is the replacement of a multinational force by a UN force. The French are not seeking to reintroduce the Soviet Union into regional power calculations; rather, they believe that no realistic solution can be found without Soviet cooperation. In the French view, it may be time to return to the situation of shared superpower influence that prevailed in 1977 at the time of the Vance-

France's wager starts with the assumption that the Soviet Union is willing to play a positive role in the to the International Herald Tribune.

tinued to ignore the intolerable injuries suffered by the Arabs, its victims would one day, in the words of Arnold Toynbee, "stagger to their feet and stab it in the back." Malcolm Kerr — "the most eminent American target available," as one of his colleagues put it - was

The emergence of "imperial Israel" and the rich pickings from the oil boom caused the United States to

In the new hard-nosed U.S. mood, the pleas of Arab allies that America

crucial negotiations.

Meanwhile, French diplomacy in the Middle East is characterized by a growing sense of resignation. The Woe to the Survivor fear of a spread of Islamic militancy, linked to disillusion with the Ge mayel government, has reduced French expectations in the region. A policy of increased military pres

ence is no longer a valid option for the Western powers. The Israelis, frustrated by Lebanese Christian bewould ruin the unity. . In the meantime, we remain uni-fied in fear and faced with the threat of annihilation. The mobilization for havior, are unwilling to do the Americans' bidding and serve as the West's gendarmes, even if they are willing to deter some Syrian-led actions.

The West has fewer and fewer al-

ternatives in the region. Recognition pariahs of their society.

Bound by the bomb? No thanks. I of a de facto domination of Lebanon by Syria is perceived by many as a lesser evil than the continuation of a destabilizing civil war and a de facto partition of Lebanon. In such a confind plenty of unity in life. text, the identity of the man in charge in Beirut matters little, given that the real decisions are made in Damascus.

non than the Americans, whose forces are being placed on ships. The writer is associate director of the Institut Français des Relations Intera state of their own. nationales. He contributed this article It is one of the tragic ironies of

reprisals against the Palestinians in southern Lebanon have killed thousands and displaced hundreds of thousands of the indigenous Shia population, bringing a whole new cast of actors into the conflict. Today, thoroughly aroused and strengthened by international links

with Damascus and Tehran, the Shiites cannot be contained as easily as Arab governments and community

leaders are themselves deeply alarmed by these developments. In Lebanon, but not only there, the initiative is passing to shadowy groups who feed on the grievances and the

The writer covers Arab affairs for The Observer in London. He contribut-

LETTERS TO THE EDITOR

expansion and prevention of national liberation. If further bloodletting and

destruction are to be avoided, con-flict will have to be settled at the

negotiating table by all parties con-cerned, including the PLO.

FDR's Health at Yalta

BESS BROTSKY.

Regarding "Researchers Decide A-Bomb Is Good for You" (Feb. 14): The "bomb" is good for us? I suppose the massive trauma of a nuclear holocaust would be great, as long as no one was left out. One survivor

war does the same synaptic trick. It binds people together.

We might ask the survivors of Hiroshima how it feels; they are the

> GREGORY BERGLUND. Meyreuil, France.

Jews and Palestinians

As an American Jew I would like to thank Anthony Lewis for his courageous writings on the Middle East, and especially for exposing the irresponsibility, if not the insanity, of the Reagan administration's policy.

I also wish to convey my respect for Walid Khalidi, who so eloquently expresses the longing of his fellow Palestinians for justice, peace, and

In response to the opinion column "Politics and Age: Can Reagan Survive Five More Years?" (Feb. 6) by Robert G. Kaiser: If Franklin Roosevelt had not been physically debilitated at the time of

unsolicited manuscripts.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of

history that an oppressed, persecut-ed, homeless Semitic people has op-pressed, persecuted and driven into the Yalta conference, the Allies might cal confrontation that threatens us diaspora another Semitic people.

Among Jews in America, Israel and elsewhere, the realization is constantly with another conflict now. JAMES PRICE Gstaad, Switzerland. growing that rivers of blood have been spilled in the name of territorial

The Bear Was Drugged

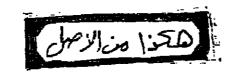
Dale Russakoff's feature article, "The Grizzly" (Jan. 3), represents the bureaucratic side of the issue, defendbureaucratic side of the issue, defending continued manipulation of America's wildlife. He ignores the fact that federally funded wildlife biologists are drugging grizzly bears with one of the most dangerous mind-altering drugs, phencyclidine—in drug lingo, PCP or "angel dust." The grizzly of Mr. Russakoff's article, which killed and ate the man near my home in Montana last June, had been injected at least 11 times with PCP.

As described in my articles in the

at least 11 times with PCP.

As described in my articles in the New York Times (Nov. 27, 1983) and the Denver Post (December 1983). PCP acts as a depressant on the central nervous system frequently inducing violent human reactions. At times, without warning, it fills users with irrational feelings of power causing them to attack people of obviously superior strength.

PEGGY LUCAS BOND. Malaga, Spain.



ARTS/LEISURE

Schlöndorff's Way With Proust's Swann

D ARIS - Nicole Stéphane is a courageous woman of indefatigable determination. Twenty-two years ago she bought the film rights to "Remembrance of Things Past" from Proust's niece and literary executor, and for 23 years she looked for financing for the project.

Though many thought the transferring of Proust to film seemed as futile and as silly a transaction as making a movie montage of Leonardo's "Last Supper," some ambitions directors were intrigued.

The late Luchino Visconti prepared a scenario of the novel's Sodom and Gomorrah" section and announced that its cast would include Greta Garbo as the Duchesse de Guermantes, Laurence Olivier as the Baron Charlus and Alain Delon as Proust, but he was unable to raise enough money. Then Joseph Losey volunteered, and Harold Pinter was engaged to write a script (which he did) and again no company would back the undertaking.

Last year the untiring Madame Stephane succeeded in arranging a deal. A French-German production was organized under the Gaumont banner and with the French Ministry of Culture participating, and now — with "Un Amour de Swann" (Swann in Love) - the Proust chronicle, or at least part of il, makes its screen debut.

A German, Volker Schlöndorff. remembered for his "Tin Drum," directed, while Peter Brook, Jean-Claude Carrière and Marie-Hélène Estienne collaborated on the adaptation of "Swann's Way." It tells the story of Swann, a snobbish dandy who lives on the outskirts of Parisian aristocratic circles in the 1890s, and of his marriage to a demimondaine, which excludes him from the great houses. The

73 Photos of G.B. Shaw "Are Found in Minsk

The Associated Press MOSCOW - Seventy-three photographs of George Bernard of fortitude and Jean-Louis Trin-Shaw have been found by workers tignant is the president troubled by repairing an old building in Minsk, his conscience. Michel Serrualt, Tass reports.

raphers were unknown but that the the interior and Michel Auclair is pictures, more than 50 years old, the blackmailing villain. There is were stamped by the photo agencies Wide World Photos and Press Pillsbury as the boy, and Francis "Portrait Bureau. They were turned Girod's direction supplies the hoover to the Byelorussian Museum kum with a posh background of of Literature and Artime to the

By Thomas Quinn Curtiss center of the screenplay is his frantic pursuit of the flighty lady and the agonies of jealousy he suffers.

The casting is international - at least at the top. The English actor Jeremy Irons is the hapless Swann. With his sensitive face and languid manner he resembles photographs of Proust. This impression is in-creased by the opening, in which he is discovered, pale, wan and sickly, scribbling notes in his bedroom. Ornella Muti ornaments her

scenes as Odette with her striking beauty, but the most lovely and ing performance is that of Alain Delon in florid makeup as the haughty Baron Charlus, a bravura piece of caricature, alert and comic. The solemn proceedings perk up with his every appearance The production is of pictorial

and atmospheric magnificence, a gorgeous pageant of Paris at the turn of the century, with opera nights, children at play in the sunlit Tuileries gardens, Swann's midnight carriage chase after the elusive Odette, social receptions, supper parties, haut monde tittle-tattle military parades all captured with the pathos of distance by Sven Nykvist's cameras. Visually it is a film of high distinction. As the number of regular filmgoers who are acquainted with "A la Recherche du Temps Perdu" must be infinitesimal, what is not there will not be missed. This is postcard Proust, a brilliant collection of

"Le Bon plaisir" is Françoise Giroud's screen version of her novel, a sentimental tale gushing with mother love and a father trying to gain his little son's affection. Yet its premise poses a curious question. Would a French president's career be damaged if it were discovered that he, a married man, had fathered an illegitimate child? This seems unlikely, but the Giroud president wornes about it for two hours. The Giroud script, despite its modern setting, echoes Victorian weepers about fatherless children and brave fallen women. Catherine Deneuve is the woman

superlative comedian, is wasted in The agency said that the photog- a secondary role as the minister of an enchanting bit by Matthew political life at the top.



Giordano's 'Andrea Chenier' Revived in London

By Henry Pleasants

ONDON - Umberto Giordano's "Andrea Chenier" is back in the repertoire of the Royal Opera, Covent Garden, after an absence of 53 years, and thereby hangs a tale, or at least a curiosity.

"Andrea Chenier," set in the Paris of the French Revolution, and based on the life and execution of a French poet, occupies an odd place in or out of the hearts of opera lovers. It is a singers' opera, esteemed and cherished by those for whom opera is, above all else, full-throated singing, preferably uninhibitedly Italianate, but disdained by those of a more intellectual turn of mind, including most British and central European music

Thus, while the opera has gone unperformed and pretty much unlamented at Covent Garden for more than half a century, across the Atlantic, in cities with large Italian out of the repertoire. It was a staple at the Met from 1921 to 1933 and again from 1954 to 1966, and has been warmly welcomed, too, in Chicago and elsewhere.

In discussions here of the new Royal Opera production, essentially that of Michael Hampe for Coogne, and centered on the Andrea Chenier of José Carreras, it has been referred to repeatedly as a "tenor opera," even by Rosalind Plowright, the Maddalena, in an interview. Those fortunate enough to have heard Met performances by tional Opera's Richard Armstrong, is noted with regret, for he has Gigli, Ruffo and Ponselle, or by It's nice to have it back, even as the obviously put a lot of thought and Lauri-Volpi, Rethberg and de Luca, know that it is no such thing. Zinka Milanov even chose it for her Met farewell on April 13, 1966.

This new production, unfortu-nately, does little to disabuse the uninitiated: It is Carreras's show from the "Improvviso" of Act I to the "Un bel di" of Act IV. He was in exultant voice on opening night, and brought the house down with as gloriously defiant an "lmprovviso" as can be heard from any tenor in this day and age. He may not quite erase memories of Gigli, Lauri-Volpi, Pertile, Martinelli and de Muro, but he evoked them, and that is high praise.

Plowright rose gallantly, some-times even recklessly, to the formidable challenges of Maddalena's "La mamma morta" and the highlying duet with Chenier as they prepare for the guillotine, but hers is not the Maddalena of Muzio, Ponselle and Milanov. She's too populations, it has never been long English. Nor does Bernd Weikl, splendid artist that he is, have the sumotyous Italian baritone that made the ambivalent servant-revolutionary leader Gerard a favorite role for Ruffo, Danise, de Luca and have been a widower old enough to Basiola at the Met. He is, after all, a be Eva's father.

> The production, designed by Ezio Frigerio and costumed by traditional, which is as it should be, with the Act III tribunal scene especially effective, and it was admi-rably conducted by the Welsh Na

"tenor opera" that it wasn't in vo- hard work into this most exacting

The next performance of "Andrea Chenier" will be given Feb. 25.

The only other important new production of the new year so far is Elijah Moshinsky's "The Master-singers of Nuremberg" for the English National Opera at the Coliseum. It, too, is essentially traditional, aside from advancing the action from the 16th century to the 17th, and costuming it in a style more Dutch than Deutsch, but parting from tradition in details.

some of them important and on the

bole ill-advised

The principal deviation is in the representation of Hans Sachs, sung for the first time by the Welsh bass Gwynne Howell, well and favorably known to London opera-goers as the Royal Opera's Pimen, Grand Inquisitor, King Marke, Prince Gremin, etc. Moshinsky's purpose would seem to have been to demythologize Sachs, so to speak, cutting him down to size and presenting him as an ordinary sort of fellow, and rather too young to

It doesn't work. This is not a cobbler who would have been so revered by his fellow burghers. Nor does Howell's voice, mellow and rich as it is, have the weight and grain to penetrate and dominate Further performances of "The Wagner's instrumentation, and he Mastersingers of Nuremberg" Feb. is rather too sparing in its use. This 23 and 28 and March 3 and 8.

of bass-baritone roles, as can be said, too, of Alan Opie's more suc-

There are other shortcomings in this production: a wooden, if decently sung. Walther by Kenneth Woollam: a too obviously calculat-ing Eva by Janice Cairns and a too array ("On Monday Next"). Yet bouncy David from an otherwise King somehow never quite admirable Graham Clark. There is achieved the distinction that the too much furniture-moving in Act British have accorded to Ben Tra-I, an Act II set singularly and inex-vers and Alan Ayckbourn or the cusably devoid of any suggestion of French to Feydeau. Looking again a neighborhood, and a finale more at his best and most successful carnival than ritual. There are play, "See How They Run," now in splendid cameos in the supporting roles, as is true, too, of "Andrea

Of the two productions, it might be said that the one is insufficiently Italian, the other insufficiently German. And with the latter there is, inevitably, the problem of "Die Meistersinger" in English. Not all of Wagner's subjunctive-laden archaic German is intelligible in any performance, but at least it sounds right. In English it doesn't. Nor does much of the English

come across. There were those at the Coliseum who followed the libretto with a pocket flashlight, as well they might. But that is hardly the way to get the most from anything as vividly theatrical as "Die

Further performances of "The

'Tom and Viv': The Early Eliot

By Sheridan Morley

ONDON - At the Royal Court. Michael Hastings's Tom and Viv" is a spare, elegant and enthralling account of the wasteland of T.S. Eliot's first marriage, to the apparently loony Vivienne Haigh Wood. Here, on the face of it, is the play with everything: Bloomsbury, Roaring '20s, aristocracy (the Haigh Woods) in decay, feminism, young Jamesian American come to Europe in search, if not of Aspern papers, deal with the increasingly dotty then at least of fame and fortune and besides, he was the man who and Julie Covington makes it an went on to write "Cats.

Hastings has carefully avoided most of the more obvious pitfalls. Nobody here is much afraid of Virginia Woolf and we never even get to see Viv pouring hot chocolate 20th century. Instead, we get a wry, loving and very touching play and like Vernon Sylvaine) at the about a young pre-fame American poet coming to Europe in search of himself caught up in the attic dust the cobwebs of a lost world. Torn

THE LONDON STAGE

Wilkinson wonderfully suggests the early Eliot as an ungainly, gan-gling figure wracked by the guilt of his ambition and his inability to Viv, but this is really her evening unmissable treat.

Though the play brings us to 1947 with medical explanations of Viv's hormonal imbalance, that is in a sense a postscript to a 1920s tragedy. Hastings has written the through the Fabers' mailbox in one story of a family: Viv's wonderfully of the great poetic gestures of the eccentric brother (David Haig) forever pitying Tom for having "a wonky squaw," and her parents (Margaret Tyzeck and Nicholas Selby in rich Edwardian form) are as close to the heart of this play as Eliot himself.

> As lost playwrights go, Philip King seems to have been more etfectively mislaid than most: In a long life (1904-79) he wrote at least two expert farces and, 30 years before Michael Frayn's "Noises Off," wrote the definitive backstage comedy about a provincial

a welcome revival by Ray Cooney's

Theatre of Comedy company at the

Shaftesbury, it is not hard to see

King never cared much about character, he was the total stage manager, a craftsman who put his people on the stage, gave them rough-and-ready labels (confused vicar, German prisoner, pompous bishop, drunken neighbor) and then left his players to get on with the creation of them while he provided an obstacle course of furniture, doorways and mistaken iden-

tites for them to negotiate.

writers, who depend very largely on ust about everything and finding plotting and playing rather than actual writing, and this creates a of an old English family stifling in curious split in Cooney's present production. On one side of the stage we have a group of players led by Maureen Lipman as the drunken neighbor and Christopher Timothy as the soldier desperate to get back into his trousers - who go for a kind of manic truth in what they are playing and are in consequence hilarious. On the other side is a team led by Michael Denison, Derek Nimmo and Royce Mills as assorted bemused clerics who come on stage determined to be funny at all costs, and are accordingly much harder to laugh at or with. For

Denison not to get, on the first

night at any rate, a roar of laughter

ple" line that the entire evening has

been building toward suggests that,

stylistically, something has gone a

on the "Arrest most of these peo-

head of a second division of farce

wrong with Cooney's otherwise wonderfully agile production. Yet it remains well worth a look, not only for the perfect mechanics of its plotting and the unexpectedly rubbery legs of Lipman but for the reminder that Cooney at the Shaftesbury (like Finney at the Riverside) has a company of players that would be the envy of any subsidized house in the land.

To inaugurate a welcome new adult management at the Arts, Pam Gems's "Loving Women" is a comedy of urban despair that sets out to explain how the 1970s became the 1980s by following the lives of three characters from 1973 to today through fashions in clothes, language, wall posters and sex. Frank (David Beames) is a teacher whom we first meet under some bedclothes having an early midlife crisis; his girlfriend. Susannah (Mar-ion Bailey), unwisely imports a local hairdresser (Gwyneth Strong) to nurse him back to health, only to find herself dispossessed while the hairdresser goes on to become wife, mother and total '80s achiever.

lo 1

Essentially Gems's conclusion seems to be that where once consciousnesses were raised now only salaries are, and still not enough. Along the way we get some good insights into London life.

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VISIT TO JAKARTA - Prince Norodom Sihanouk, left, head of Cambodia's anti-Vietnam resistance forces coalition, and his wife, Monique, are accompanied by President Suharto of Indonesia to the state guest house in Jakarta. Prince Sihanouk arrived Monday for a 10-day unofficial visit at the invitation of President Suharto.

In Spain, Women Make Major Gains Against Taboos, Masculine Barriers

By Tom Burns Washington Post Service MADRID — There used to be a quip in Spain that reflected as much a macho-oriented society as it did the overbearing presence of strict Roman Catholic morality: "It's not a sin to go to bed with a

Spanish girl; it's a miracle." Few people would say that now. Of all the sociological changes brought about in Spain's post-Franco era, perhaps none has been as dramatic as that of the status of

It was not until 1976, the year after Franco died, for example, that the "marital license" was struck from the statute books. Under the law, a woman had to produce the written consent of her husband before she could sign a legal contract.

A recent survey published by the Madrid consumer magazine Ciudadano shows that the lifestyle and

Pakistan Fires Airline Pilots

co era. According to the survey, 41 percent of women polled in 1976 believed that the church "had the final word on family planning."

The bans on the sale of contraceptives were lifted in 1978, and the first state-run family planning centers opened two years later. A gov-ernment poll last year established that 59 percent of Spanish women used some form of contraception. Ciudadano noted that the young Spanish woman has "broken down taboos and traditions, overcome

masculine barriers ... and won

freedoms that were denied to her a generation ago.' The major catalyst for change has been education. Twenty-five years ago, 14 percent of Spanish women were illiterate, a figure that was double that of Spanish men.

Only 13,778 were receiving a college education. The illiteracy figure had dropped attitudes of Spanish women are now comparable to those of women in other Western societies.

An obvious indicator of acceler-

> years ago, are felt. In Spain, the changing role of strategists in the ministries of inte-women is sharply outlined by the rior and the economy.

tion, banned throughout the Fran-ners. Gone are the days when there was an average of 3.4 children per

Spain's birthrate has dropped faster than that of any other West European country, prompting an acute drop in demand for the vast maternity clinics built over the past 25 years. The birthrate fell by one third from 1961 to 1981, from 21 births per 1,000 population to 14 per 1,000, with the steepest decline coming in the past five years.

While women lag well behind Spanish men in the labor market, there has been a marked improvement in their status. In 1959, only 10,000 women of a total female population of nearly 16 million id managerial posts.

Eighteen women were elected to the Cortes, or parliament, on the Socialist ticket in the 1982 elections - a low figure by absolute standards but nevertheless the highest proportion of women in the history

of the Cortes. In the administration of Prime Minister Felipe González, women hold such key jobs as the secretary portion is continually rising as the and for universities; the posts of director general for energy policy, for primary schooling and for tourism; and the posts of chief policy

1982 there were 31 percent fewer women maintain their traditional The demographic slowdown has the fields, run the home, wait on the creating alarm and despondency." caused increasing concern to plan-men at the table and eat separately.

In Philippines

By Robert Trumbull New York Times Service

MANILA - Two foreign riests, a Filipino priest and six Roman Catholic lay workers are scheduled to go on trial Thursday on charges of conspiring with Com-munist guerrillas to kill a Philippine mayor and four of his aides. The case has focused interna-

tional attention on Bacolod, a sug-

ar producing town on Negros Island in the central Philippines. The defendants are the Rev. Bri-

an Gore, 40, of Perth, Australia, the Rev. Niall O'Brien, 43, of Dublin, the Rev. Vicente Salangan, 40, and six Filipino lay workers. All nine had been working among poor extinctions," Richard A. Muller, a plantation laborers on Negros. Prosecutors say the nine defen-

dants conspired with the Commu-nist New People's Army on Negros in the ambush murder of Pablo Sola, the mayor of Kabankalan, a town near Bacolod, and four of the mayor's aides two years ago. Earli-er, the mayor had been named as a suspect in the slayings of seven workers on his sugar plantation.

Father Gore and the others accused of conspiracy in the slaying of the mayor and his aides have said they were framed and that their efforts to improve the lot of the sugar workers on Negros had antagonized the island's authorities. The case has been widely publicized in Australia and Ireland.

President Ferdinand E. Marcos had earlier intervened in the case, ordering that the three priests be placed under house arrest instead of going to jail with the accused lay workers. However, after a period in military guest quarters, the priests insisted on joining the six co-defendants in the town jail.

Philippine officials said the case was expected to be discussed with the Australian foreign minister, William G. Hayden, who is to visit Manila this week.

9 Facing Trial Study Blames Comets In 5 Murders For Dinosaur Extinction

LOS ANGELES - A group of scientists at the University of California, at Berkeley near San Francisco, has found evidence that they say proves conclusively that the di-

The new evidence comes from an million years, the same frequency

physicist and leader of the team, said Monday.

are responsible for mass extinctions, this just closes the book," he said. "There are periodic mass extinctions, and they occur with the same period and at the same time as large comets impact on the

Some credence has been given to 100 miles (16 kilometers) to 100 miles (160 kilometers) across.

These creaters have in them the same periodic structure," Mr. cloud of dust that hung in the atmosphere for months, blocking sunlight, preventing photosynthesis; the dinosaurs then succumbed

Muller said. "The largest of these craters, the data show, occur roughly every 28 million years."

Since the extinction of the dinosaurs then succumbed to cold and hunger.

Venezuelan Envoy Wounded United Press Intern

GEORGETOWN, Guyana wife, police said Tuesday.

several months ago, two pareon-tolgists at the University of Chica-go, David M. Raup and John Sep-koski, thought they saw a periodicity throughout history, one every 26 million years or so, in mass extinctions.

Based on that work, Mr. Muller, analysis of the ages of large impact at Berkeley, sought an astronomical mechanism. Collaborating with pear to have been formed every 28 Piet Hut, a physicist at the Institute for Advanced Study at Princeton, and Marc Davis, a Berkeley astronomer, he came up with a model for a "killer star" that was, in fact, a binary star with the sun.

This star, a small, cool dwarf, has an elliptical orbit that takes it as far as 2.4 light years from the sun, where a comet cloud containing 100 billion comets is known to exist. As it passes through the cloud, it picks up some of the comets, which it flings into the inner solar system as it passes by every 28 million years.

Walter Alvarez thought that if there were such periodic comet showers, they could be the domi-What happened to the dinosaurs showers, they could be the domisis one of the mysteries of science. Earth. About 88 of these impact craters have been discovered, rang-ing from 10 miles (16 kilometers) to

saurs, there have been two mass extinctions, for which Mr. Raup and Mr. Sepkoski found evidence among fossils in the seabed. One occurred 37 million years ago, and the other about 14 million years ago, both consistent with the cycli-

If the 28-million-year period of comets in about 14 million years.

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the campus population. This pro- of state posts for regional policy ated change concerns contracepeffects of compulsory schooling until the age of 16, introduced 10

KARACHI, Pakistan - Pakistan's state-run airlinie, Pakistan drop in marriages and births. In Still, in the Spanish countryside, International Airlines, Tuesday dismissed live senior pilots for marriages in Spain than in 1975. peasant-society roles. They work in spreading unfounded rumors and

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By Lee Dembart and his son, Walter Alvarez, a geol-Los Angeles Times Service ogist. The younger Alvarez is one of the scientists involved in the latest work at Berkeley. Several months ago, two paleon-

nosaurs were wiped out when comets hit the Earth about 65 million years ago, resulting in months of cold and darkness.

that mass extinctions have occurred, the scientists say.

"If there was a controversy be-fore as to whether or not asteroids

After a period of 140 million years, they died out suddenly about 65 million years ago.

The theory has been advanced

Sadio Garavini, Venezuela's am- cal theory of extinctions. bassador to Guyana, was seriously injured by a gunman here Monday the killer star is correct, it should in an attack that also wounded his sweep by again with its barrage of

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By Richard Harwood

Washington Post Service WAIT — In the brutal trail of terrorism in the Middle East, a human fingertip recovered from the wreckage of the American Embassy in Kuwait provided a clue which leads back to the roots of modern religious fanaticism in the region.

The piece of flesh was from the disintegrated body of a young Arab who sacrificed himself in arderous truck-bomb attack on the embassy on Dec. 12.

His fingerprint revealed his identity: Raad Meftel Ajeel. In turn, it led to organizations and movements in Iran, Iraq and Lebanon.

Mr. Ajeel, who also used the name Badran, was a 25-year-old driver for the Sultan trading company. He arrived in Kuwait last September with an Iranian passport and a recommendation for a work permit.

Within a month, he was involved in a plot to assault, in one day's action, the embassy and seven other targets: the headquarters building of Raytheon Co., a U.S. corporation installing a Hawk missile system in Kuwait; an apartment house occupied by Raytheon employees; the control tower at the international airport; the Kuwait Ministry of Electricity and Water; the Kuwait Passport Control office; the French Embassy and a major petrochemical and refining complex at the port of Shuaiba.

Bombers' Aims Unclear

The instruments of destruction were car and truck bombs of the type used for major terrorist

actions in Lebanon last year.
What Mr. Ajeel and his comrades had in mind is something of a mystery. According to sons. evidence obtained later, they had brought into Kuwait by boat, probably from Iran, stocks of

explosives for the bombings.

But they had also brought in large stores of more conventional weapons. These included rocket-launched grenades, machine guns, rifles, pistols and detonators of Soviet, West European and U.S. manufacture, all of which were hidden in safe houses in three neighborhoods south of

Were a series of assassinations, or a coup, planned for this oil state on the Gulf?

Negative answers to these questions have been forthcoming since the coordinated bombcollaborated with Mr. Ajeel.

operation came directly from a message carried to Kuwait by a courier from Iran and that Bekaa Vailey of Lebanon.

Links to Outlawed Iraqi Group

terrorist chain in the Middle East, however, are police stations. the political and religious roots of Mr. Ajeel and

Of the 22 men directly involved in the arms sumaging and bombings, 18 were native-born iraqis, all members of Dawa, an outlawed Iraqi

Shiite Moslems who have been linked to Hus- of the Iraqi Islamic Revolution, headed by Hosein Musavi, who, intelligence agencies suspect, was connected to the bombings of the U.S. the three brothers from Najaf. Marine complex and the French military head-

sein Fadlallah, the militant Lebanese Shiite rorist groups. Dawa is one of them. leader who has been implicated, despite his

denials, in the U.S. Marine and French bombings in Beaut. to his lieutenant. Hussein Mu-savi, and to the Hakim brothers in Iran and their connections to Middle East terrorism. Raad Ajeel's fingertip helped open the win-

dow on all this.

The story began in Najaf, Iraq, in the 1960s. Najaf is a holy city of the Shiite branch of Islam. a center for theological studies and debate. About 10 percent of the world's 400 million

Khomeini's Exile Home

Najaf in those years was a place of intellectual ferment. Ayatoliah Ruhollah Khomeini, Iran's ruler, lived there for 14 years, in exile from the shah's Iran, Sheikh Mohammed was there as a student. Najaf was the home of the chief Shiite theologian, Mohsen Hakim, and of Mr. Hakim's three sons, all of whom are now active in Iran. The holy city was also home to a brilliant young Shiite philosopher and writer, Said Mohammed

Mr. Sadr became one of the chief ideologists of al-Dawa al-Islamiya, the Islamic Call, a fundamentalist religious organization calling for a social revolution.

Dawa's message found fertile ground among the peasant and working class. With the encour-agement of some of Mr. Sadr's theological colleagues in Najaf, Dawa evolved into a revolutionary party, fomenting protest against the

There were disturbances and a repressive response by the Iraqi government. Dawa leaders were executed. Notable theologians in Najal were harassed and put under surveillance, in-cluding Mohsen Hakim and at least one of his

Thousands of Iraqis, the Hakim sons among them, fled to Iran. Sheikh Mohammed returned to Lebanon to begin spreading the new militancy. Ayatollah Khomeini later emerged as the spiritual leader of the Iranian revolution in 1979. He took with him from Najaf his own version of "the Islamic Call" and an abiding hatred of President Saddam Hussein.

Ties to Iran, Syria

Baquir Sadr, whose writings had inspired the Dawa dissidents and left their mark on future militant Shiites, had such stature in Iran by the end of the 1970s that Tehran radio began refering attacks of Dec. 12 and the arrest of numering to him as the "Iraqi Khomeini." To the cass suspects who, according to Kuwaiti authori- Iraqi president. Mr. Sadr was an intolerable ties, confessed in writing and on tape that they threat to his Marxist-like Ba'ath Arab Socialist government: he aroused the masses too much. Reports from the CIA and Israeli intelligence Mr. Sadr and his sister, Bint Hudah, were arrestauthorities establish that final approval for the ed and executed in 1980, along with a number of the theologians of Najaf.

That was the year that Raad Ajeel, the bombanning for it took place in Switzerland and the er of the U.S. Embassy in Kuwait, and his brother, Saad, were sentenced to death in Iraq. They had been swept up in the Dawa movement and participated in what the Iraqis called "ter-Of equal significance to those unraveling the rorist attacks" such as grenade assaults on

Saad Ajeel was caught and hanged in Baghdad. His brother escaped to Iran to join the quarter of a million refugees from Iraq, including many Dawa followers who had preceded him. His movements there, if they are known, gious opposition group now working in exile have not been revealed. But it is reasonable to assume that he came in contact with and was Three were Lebanese, two of whom were brought under the wing of the Supreme Council jatoleslam Mohammed Baquir Hakim, one of

The Supreme Council provides humanitarian quarters in Beirut last Oct. 23. The third Leba- assistance to the refugees. But it has other func- neighborhoods of Jleeb Shuyoukh, Firdous and nese was Elias Fuad Saib, 23, a Christian merce-tions, including the recruitment of Iraqi refusary brought into the operation to wire the gees for Ayatollah Khomeini's Revolutionary bombs. Four of the suspects are still being Guards and according to the French magazine the vehicles needed for the Dec. 12 operation. Dawa leads back to Sheikh Mohammed Hus- of parent organization for four operational ter- ru van. a Buick passenger car and two trucks.

The council also has links to the Islamic Amal by Mercedes-Benz.



Kuwaiti officials examined destroyed vehicles for clues after a bomb exploded at the French Embassy on Dec. 12.

faction in Lebanon, of which Hussein Musavi is the most prominent leader.

Whether Baquir Hakim and his Supreme Council recruited Raad Ajeel for the Kuwait operation, sent him to the Qom or Ahwaz training camps in Iran or how he obtained an Iranian passport are elements of his history that have not been made public. CIA intelligence reports indicate that one member of the Hakim family, then residing in Kuwait, was the head of the bombing operation, and that planning for it included Syrian officers, Shiite leaders and Iranian intelligence representatives.

It is characteristic of terrorist operations with obvious state sponsorship that "deniability" safeguards are always built into the planning; the chain of responsibility invariably has missing links. But it is inconceivable that Mr. Ajeel and his comrades were sent off to Kuwait with no training at all, just as it is inconceivable that such an intricate operation was spontaneously mounted out of the industrial neighborhoods of

Planning for Kuwait Attacks

What is known beyond doubt is that Mr. Ajeel and most of his collaborators entered Kuwait from Iran, that the explosives and weapons were shipped in by boat and that the final planning for the Dec. 12 action began in October, the same month the bombing plans for the Marine and French installations in Beirut were completed and carried out.

The 22-man team, according to Kuwaiti and American investigators, was divided into seven cells organized according to the "cutout" principle, which means that the members of each team were isolated from all the other teams; they did not even know one another's names. Planning sessions involving team leaders and the operation's supervisor were held in safe houses in the Sabah Salem.

Mr. Aigel's first assignment was to buy or rent Jeune Afrique, plays yet another role as a kind He acquired five Subaru passenger cars, a Subaone manufactured by General Motors, the other

Other operatives acquired dozens of liquefied 28, thought by intelligence agencies to be a petroleum gas tanks, each filled with butane or relative of Hussein Musavi. The eighth vehicle, powerful explosive hexogen, also known as C-4 Embassy. and RDX, which is used in artillery shells, mines and bombs and for structural demolition. It can in the truck, probably about 9 on the morning of generate an explosive force twice as powerful as Dec. 12.

propane. The tanks were loaded into the mission the General Motors truck, was held back for Mr. vehicles and hooked up to large charges of the Ajeel's mission: a direct attack on the U.S. Mr. Ajeel set out from the southern suburbs

His route probably took him along Gamal On the night of Dec. 11, seven of the vehicles were parked at the selected targets to be detonated the next morning by timers or remote Ajeel turned off the Gulf Road into the residenone of the Lebanese Shiites - Youssel Musavi, embassy gate, drove into the parking lot and dealing death to strangers - and to themselves.

detonated his load 10 feet (three meters) from the embassy's administrative building.

He was, investigators concluded, a genuine kamikaze because he need not have died in the explosion. His lethal load was connected to two detonators. One of them, a safety fuse, would have allowed him 20 minutes to attempt an escape. But he chose the instant detonator which meant he chose instant death.

The car and truck bombs at the other targets were exploded by timers and remote control devices in the 45 minutes after Mr. Ajeel died. The toil from all the explosions was five dead. 87 wounded and severe property damage at some

The destruction would have been worse if the Lebanese Christian mercenary had been a more skillful demolitions man. His wiring of the bombs was so amateurish that only 10 of the 45 gas cylinders on Mr. Ajeet's truck exploded. The same defects minimized the power of other hombs that day.

Under Kuwaiti law at the time of the bombings, hanging was the ultimate penalty for such acts. But a new penalty was decreed on Dec. 29: "Limb amputation or death." and "the amputations would be carried out on two limbs simultaneously, severing the left arm and right leg or

To risk such punishment, men need motivation. In the case of a few members of the extremist Shiite organizations, such as Dawa and Islamic Amal, both religious and political motivations are involved. Terrorists, especially the unsophisticated, are promised places in paradise as participants in a jihad.

Great political passions are the major forces behind these events - the passion to punish France for siding with Iraq in its war with Iran; the passion to punish the Gulf states for the same offense; the passion to punish America, which Iran calls the Great Satan, for various crimes; the passion to drive the Americans. French, Italians and British out of Lebanon; the passion to wage war on Israel and its benefactors, and the passion to destroy Saddam Hussein in Iraq.

In these political crusades, the fanatical recruits of Dawa and Islamic Amal become terrorist pawns in the larger game of such nations as control devices. The car bombs at the Raytheon tial street on which the embassy entrance is Syria and Iran. They are moved around from business and residential facilities were placed by located. At 9:35 A.M. he crashed through the country to country in the name of a jihad,







Hussein Musavi



Clias Fuad Saib

West Europe Making New **Cuts in Social Programs**

By James M. Markham

BONN — Hard times in Western Europe have obliged both poor and relatively prospercos countries to make fresh cuts in welfare systems, which are widely perceived as the bed-rock of Western Europe's postwar political and social stability. But although regularly de-scribed as crisis-ridden, the welfare state has not been dismantled, only pruned.

The surprising thing is that retrenchment did not come sooner. The Organization for Economic Cooperation and Development, which monitors the health of the major industrial na-tions, reports that between 1960 and 1981 social expenditure in the principal West European conomies leaped from 14.5 percent to 26.3 percent of their output of goods and services. (In the United States over the same period, the rise was from 11 percent to 21 percent.) In Western Europe, huge pension increases led the way, accounting for about 40 percent of social outlays, health care, education benefits and unemployment payments were the next biggest

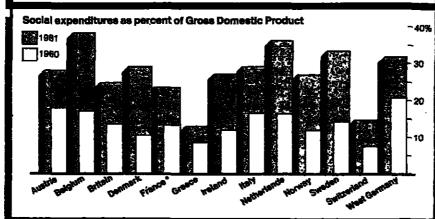
The oil price rises of the 1970s were translated into the first cuts in health and educational benefits, which had exploded in the previous decade. But the persistence into the 1980s of low growth and high unemployment — compounded by the drag of aging populations — has put budget-cutters back to work. Conservative governments in Britain and West Germany have set the pace with surprisingly little opposition from the trade unions, which have been weakened by

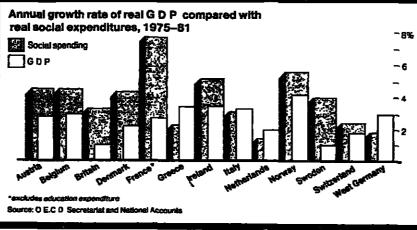
the high unemployment rate.
In its budget-cutting measures, Chancellor Helmut Kohl's center-right coalition has risked offending West German university students, pensioners and expectant mothers. Generous diversity grants for low-income students must now be repaid, time-off benefits for new mothers have been cut from \$268 monthly to \$182. and pensioners must now make a 5-percent contribution to what had been free medical

indexation changes have brought pensions down 5 percent to 6 percent in real income compared to 1979. Unemployment benefits have been cut for workers without children, too - from 68 percent to 63 percent of total salary

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The pace of social spending in Europe





confidently that "there will be no more cuts." Other Christian Democratic strategists concede that if a tentative economic recovery fal-ters, pressure will build from the party's right wing for drastic welfare reductions. That might turn a prevailing mood of resignation to wrath.

In Britain, a decisive election victory in June has enabled Prime Minister Margaret Thatcher to resume her campaign to streamline the civil service by eliminating 630,000 jobs, or 14 per-cent of the total. A drive has also been launched to cut 5.000 jobs from the nationalized health service. The brunt of the health spending cuts have fallen on the elderly, the handicapped and the mentally ill, arousing some resistance from medical personnel. Other Thatcher targets are national government. Housing benefits and free hot school meals, except those for the poorest,

are also being trimmed. The opposition Labor Party, after its electoral debacle, has muted its criticism of Mrs. Thatcher's piecemeal assaults on the British welfare French Socialists and has since proposed in-

Prime Minister Poul Schluter of Denmark called an election in December after parliament turned back an austerity budget. Last month, Mr. Schluter ratified his popularity with the voters, and this month he squeaked through to a majority when the last votes by mail were counted. In the Netherlands, Prime Minister Ruud Lubbers's center-right coalition was able to withstand sporadic strikes and slowdowns last fall by public sector workers protesting wage

The Socialist-led governments of France, Itaand Spain have been less rigorous. President François Mitterrand initially thought that a policy of reflation would create jobs and avoid welfare cutbacks, but since last March his govhigh-spending local authorities in urban and erroment has been forced into an austerity propoor areas whose funds must be matched by the gram that has meant new private contributions ernment has been forced into an austerity proto social security and restrictions on unemployment benefits. The budget for the costly state

hospital system has been diminished in Spain. Prime Minister Felipe González learned from the earlier spending policies of the in the first year, and from 58 percent to 56 state. And elsewhere in Europe politicians have creased social security contributions by workers state. And elsewhere in Europe politicians have found electorates responsive to the need for 90 percent to 65 percent of salary.

Brazilians Demand Direct Vote in '85

By Alan Riding

New York Times Service

R 10 DE JANEIRO — Two words — diretas ja, meaning direct elections now — are beginning to disturb the Brazilian military goverament's plans to step quietly out of office without assuming the risks of full democracy.

The words are waved on banners in street demonstrations, printed on T-shirts sold along Copacabana Beach, proclaimed in freshly painted graffiti and even mentioned in statements by Brazilian bishops. While willing to hand over power to a civilian

administration for the first time since the army seized power in 1964, the government is still insisting that the next president be picked next January by a 686-member electoral college rather than by 55 million voters.

But since the succession rules were revised permit direct elections to be held sooner. two years ago to maintain government control over the electoral college, a sharp deterioration in Brazil's economic and political situation has increased the demands for direct elections. Suddenly "diretas ja" has come to dominate all political conversation, as if the words themselves offered a solution to Brazil's crisis.

a congressional vote on a constitutional amend-ment proposed by the opposition Brazilian prisoners and exiles, lifting direct censorship Democratic Movement Party for immediate restoration of direct elections for the presidency. Opinion polls indicate that 90 percent of the ectorate favors approval of the amendment.

The administration of the incumbent presideat, General João Baptista Figueiredo, contin-ues to oppose "diretas ja," but government officials have speculated about approving direct elections in 1990 or reducing the next president's term from six to four or even two years to

According to Brazilian political commentators, the government's reluctance to approve immediate direct elections stems partly from its fear that a strong civilian administration might hold the armed forces accountable for past abuses of power, as is occurring in Argentina. But the commentators said the government's the rules could be changed.

Perhaps the largest public demonstration in principal concern was that direct elections Brazil in 20 years took place Jan. 25 in São might be won by the charismatic governor of the Paulo to press for direct elections, with oppositions of Rio de Janeiro, Leonel Brizola.

tion politicians, artists and popular sports commentators addressing a crowd of 250,000 people.

One irony is that the entire debate is a result of General Figueiredo's decision to accelerate a political liberalization process begun in the mid-The campaign is expected to end with a 1970s by his predecessor, General Ernesto Geimarch to Brasilia in early April, coinciding with sel. In 1979 General Figureiredo won great popuand revoking a law that gave the president sweeping, arbitrary powers.

In direct elections for Congress and state governors in November 1982, the government also accepted important opposition gains, including victories in 10 of 22 state gubernatorial elections and in 244 of 479 congressional dis-

figt P

The greatest impetus to the "diretas ja" campaign was provided by General Figueiredo him-self, first when he remarked in November that he favored direct elections and again in late December when he publicly renounced any ambition to "coordinate" the selection of the offi-

$oldsymbol{A}$ rgentine Military in an Uneasy M $oldsymbol{ood}$

By Edward Schumacher

chief on charges of ordering thousands of assas-sinations and widespread torture in an anti-Citizens aided by human rights groups have also filed more than 30 lawsuits against commanders for the slayings and disappearances of relatives. Former President Reynaldo B. Big-none and several other officers have been indict-

ed and jailed without bail. [The federal police on Monday arrested a retired admiral, Ruben Chamorro, who is widely accused of having headed a clandestine torture and interrogation center in the 1970s, ac-

New York Times Service

DUENOS AIRES — Weeks of prosecutions human rights abuses have produced an uneasy mood in the armed forces, according to officers as well as civilians close to the military.

"If this aggression against the armed forces continues," a senior army officer said in an interview, "it is going to provoke a confrontation."

The two-month-old elected government of President Raúl Alfonsin has begun courts-mar-defeated anti-terrorism campaign as the thousands of bodies being uncovered in unmarked graves.

Subcommittee for crucking uncourts with bricks, breaking the windows.

In a far-reacting move Feb. 6, Mr. Alfonsin appointed civilian directors over Fabricaciones appointed civilian directors over Fabricaciones appointed civilian directors over Fabricaciones of the military generally respects Mr. Alfonsin as tate industrial complex that is the nation's as attention includes and civilians said. What unsettles the armed forces, they said, is what they see as a campaign of nonmilitary goods ranging from paint to plow disks, has long been a source of political playing up such emotion-packed evidence of the anti-terrorism campaign as the thousands of bodies being uncovered in unmarked graves.

Sharply critical of the attacks outside court,

"Alfonsin is acting thoughtfully for the good of the country," the senior officer said, "but there are subversive elements at work that he

was called to appear before a congressional subcommittee for criticizing the prosecutions, and on serving the new democracy

Sharply critical of the attacks outside court, Mr. Allonsin repeated in a recent news conference, "The government will not put up with

there are subversive elements at work that he cannot control."

The officer spoke in the house of a civilian on the understanding that his name would not be used because of a government ban on political statements by military officers. He said he had spent more than 30 years in miform, once trained in the United States and commanded a regiment in the anti-terrorist fight.

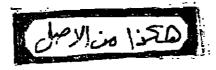
He cited the possibility of acts of terrorism by underground military groups as possible responses to the anti-military campaign, although the and the others interviewed stressed that no such acts were being considered now. They said should be the methods we used were not the cannot control."

Officers in the three services have said in interviews that the various juntas of the 1970s repression of terrorism get out of hand while becoming too arrogant in power themselves.

But they defended most of the military accountry to the brink of disintegration in the widespread bombing and kidnapping.

Someone had to dirty their hands, the semantional canse. If the methods we used were not

Retired generals who once commanded fear he and the others interviewed successful national cause. If the methods we used were not the best perhaps it's because i bouses. When Major General Luciano Mendénthe military, which left office in disgrace over
the best, perhaps it's because there were not
dez who is retired and an outspoken hard-liner,
the defeat by Britain in the 1982 Falkland Isothers."



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Bartering Spreads In the Oil Industry

DOHA — Qatar is facing serious difficulties in marketing its oil, and signs of a firming market do not seem to indicate an end to its problems. To overcome the problem, Qatar has resorted to barter.

To overcome the problem, Qatar has resorted to barter.

Instead of receiving payment in cash, foreign companies are getting compensated by the government in oil, Lately, barter deals have started to spread to foreign firms outside the field of oil production, accounting for more than half the country's exports last year. Other members of the Organization of Petroleum Exporting Countries that have done the same under the pressure of the soft oil market include Libya and Nigeria.

Ali M. Jaidah, general manager of the Qatar General Petroleum Corporation, reluctantly confirmed the new trend, saying that the reasons behind it were "marketing difficulties, sometimes technical problems, but basically it is a liquidity issue." The government's growing budget deficit due to lower oil prices and a reduced production quota, he explained, has led to a shortage of funds required to finance government projects. led to a shortage of funds required to finance government projects.

The reduced revenue, coupled with QGPC's success in carrying out barter deals, have apparently encouraged the company to raise production to the OPEC ceiling of 300,000 barrels a day, sometimes going slightly over that during the last six months of last year. Production averaged 280,000 barrels a day during the first half of the year. Qatar's quota; fixed at a stormy OPEC session a year ago, is the third-lowest in the opening and the smallest number of barrels Option and the smallest number of barrels. Option has produced the organization and the smallest number of barrels Qatar has produced

The barter system has proved successful, because of the exceptionally bad market conditions, which led to the price crash last year. "When you are owed money, you want to get it regardless of the form; you have no choice," Mr. Jaidah said. He said that the oil involved in the barter deals was evaluated on the basis of the OPEC benchmark price of \$29 a barrel.

The QGPC, formed 10 years ago, has gradually taken over control of all oil- and gas-related operations, including exploration, drilling, production, refining, marketing and local distribution of oil, gas and their

Taher Hadidi, a senior expert at QGPC, who has witnessed the growth of the organization, said that it has come a long way since foreign (Continued on Next Page)



AREA: 11,437 square kilometers. POPULATION (1982 est.): 260,000; Doha 190,000.

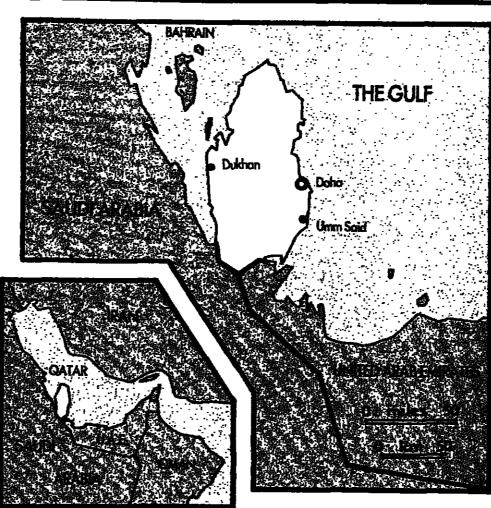
AGRICULTURE: 10 percent of the working population is engaged in agriculture. Between January and May of each year Qatar is self-sufficient in fruit and vegeta-

COMMERCE: In 1981, exports totaled 21.272 billion riyals and imports 5.224 billion riyals. Japan provided 18 percent of the imports, the United Kingdom 18 percent and the United States 11 percent. Twelve percent of exports went to the Netherlands, 11 percent to Japan and 11 percent to France.

CURRENCY: The Qatari riyal is divided into 100 dirhams. On February 21, 1984 \$1 = 3.64 riyals.



liquefaction plant Umm Said.



No New Construction Projects in Offing

By Marcus Wright over. The government has always been fiscally cautious and at a time of low revenue from crude oil it has decided to cut back heavily on

There were similar cutbacks in the late 1970s after a construction boom sent the inflation rate upward. After the 1979 increase in oil prices the upward. After the 1979 increase in oil prices the itself has lost the air of a permanent building

new construction and project work.

LONDON - When Qatar published its struction work is likely to center on develop-1983-1984 budget last April, contractors there ments that relate to previous commitments. Into realized that the boom days were temporarily this category fall the planned \$550-million base to house 14 Mirage jet fighters aiready ordered from France, and pipeline and export facilities for a new 55,000-barrel-a-day refinery at Umm

government injected funds into the sector again. fall off seriously and the OPEC price structure Today much of the country's infrastructure is in came under pressure. Announcement of the place — the nucleus of a heavy-industry com1983-1984 budget — which runs from April to
plex has been built at Umm Said, and Doha April — followed soon after the March OPEC conference in London that cut average prices by

The budget reflects the government's caution at a time of uncertainty. It contains virtually no allocations for new construction work and envisages total capital spending of \$1.1 billion. The previous budget, which covered an 18-month period, allowed \$2.6 billion.

Contractors were already under pressure because the Finance and Petroleum Ministry had delayed contract payments as revenues fell. For tracts for desalination and power plants ministry offered payment in crude oil.

There is some evidence that the government overstated its financial problems. It originally expected a \$1-billion budget deficit for which it

(Continued on Next Page)

After the Boom: Learning to Live With Less Income

By Olfat Tohamy

DOHA — Qatar's economy has successfully overcome the challenge of reduced oil prices with quarterly adjustments to the dwindling revenues.

This year represents a further challenge — following last year's drastic curbs — implying that extra effort will have to be made to catch up with development plans.

A number of encouraging factors will help the government recover from the oil-price shock of last year, which weighed heavily on the economy in the second quarter, during which it was virtually stagnant The restraint characterizing the government's reaction to the sharp falking oil revenue, which accounts for 80 percent of its income, was reflected last spring by an austere budget that cut public expenditure by more than one-third.

The government's forecast of an unprecendented billion-dollar overall deficit for the current budget now seems to have been excessively pessimistic. By the fourth quarter of the year the gap between the ernment's expenditure and its earnings narrowed — an achievement due mainly to the slashing of capital expenditure on minor projects and the rationalization of regular current expenses.

Qatar's position on the list of highest per-capita incomes is among the reasons that private consumption has adjusted to a lesser extent to the belt-tightening, entailing a smaller drop in imports. The trade surplus care thus be expected to drop by a quarter from fiscal 1982-1983.

Backed by \$15 billion in income-earning foreign assets accumulated to the company of the compa

after the oil boom, together with reserves untouched since that time, Qatar could maintain its strong international position and avoid seeking help from the Euromarket.

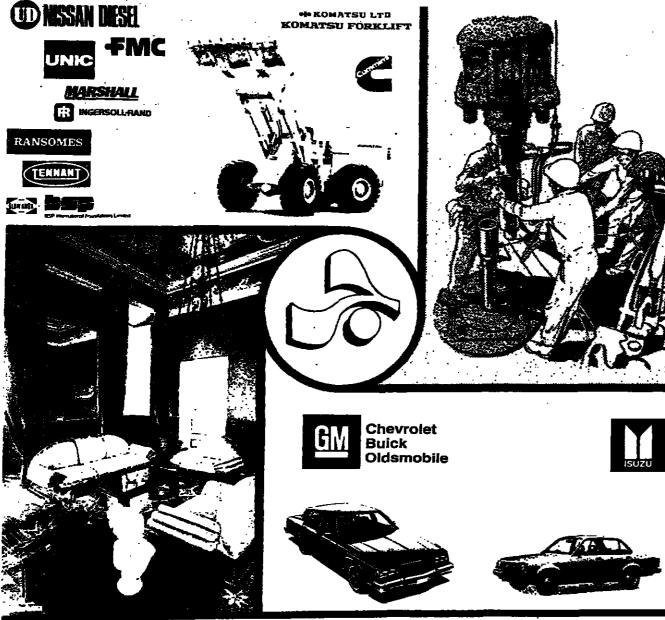
Qatar's high ratings for managing the economy during last year's crisis; however, have been earned at a high cost. The trend of curroing government and public-sector expenditure, going back to the time of sliding out prices five years ago, has entailed a postponement of heavy but necessary vestment in certain areas, including infrastructure facilities; arban development and industry. This is particularly true of 1983; when implementation of government plans came to a complete halt, picking up with some hesitation during the third and fourth quarters. Lagging behind the other rich oil-exporting countries that seized the

opportunity of the oil-price surge to build a network of roads; power stations, desalination plants and other facilities serving them beyond the year 2000, Qatar is now under pressure to meet the short-term expectations of its people. Among projects shelved last year were the expansion of the capital's airport, implementation of the government's plan to build the capital's airport, implementation of the government's plan to build the capital's airport, implementation of the government's plan to build the capital's airport, implementation of the government's plan to build the capital's airport, implementation of the government's plan to build the capital's airport, implementation of the government's plant to build a network of roads; power and the capital's airport, implementation of the government's plant to build a network of roads; power and the capital sample. a modern extension to Doha at its West Bay, the Wusail Power and Desalination Plant and the second phase of Qatar University. Action has been taken lately on the university project, a sewage

treatment plant, raising the production capacity of the Qatar Petrochemicals Co. and the Umm Said oil refinery. Two huge investments that will impose themselves on Qatari decision makers this year because of their urgency are the airport expansion project and the Wusail plant, with a total investment capital of \$6 billion.

Barring last-minute surprises, and assuming the agreement on

development of the field will be signed soon, the government will be expected to allocate its share in the project's first phase in the coming budget. With construction work due to start next year, the gov



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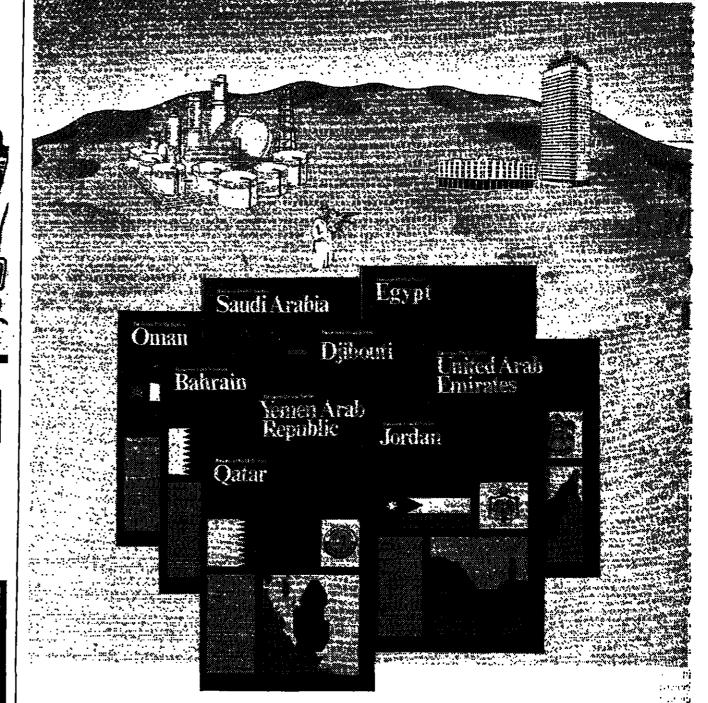
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QATAR

New Field Boosts Gas Export Hopes

jor natural-gas exporters, backed by huge reserves that promise continued growth over the next de-

The new mine of wealth, experts world, with more than 100 trillion cubic feet of proven reserves and uids, naphtha and sulfur. estimated reserves of 300 trillion cubic feet. It is an offshore-field 72 kilometers (about 45 miles) from the northeastern coast of Qatar.

Development of the field is expected to start next year after financing arrangements are made by the Qatar General Petroleum Corwith British Petroleum and Compagnie Française des Pétroles on setting up a company to run the liquefied natural-gas project.

QGPC's participation in the S6billion plant is 70 percent; BP and Compagnie Française have 7.5 percent each. The remaining 15 percent is to be offered to a major firm, possibly from Japan, which is expected to become the main importer of the field's production and a potential source of funding for the

An understanding has been reached on the two phases for developing the field. The first phase is aimed at fulfilling the domestic marker's increasing needs, with production begining two years after construction work starts. Its output will supplement production from the Khuff field, which is ex-

pected to be depleted in five years. The country's industrial base is geared to natural gas, with the fercement plants responsible for the planned to concentrate on prospecstaggering growth in local consumption in recent years. The local pointing out that the market there market's sole supplier of LNG at present is the plant at Umm Said, tive European buyers, he singled processing associated gas, with a capacity reduced in proportion to pressed interest in an eventual deal. the trimmed oil-production quota.

of becoming one of the world's maproject's planned maximum capac ity of 2.5 billion cubic feet a day at the completion of the second phase, which is scheduled for five vears after completion of the first. say, is the second largest in the The plant is also expected to provide quantities of natural gas liq-

A recent study predicts a bright future for Middle East natural-gas exporters, with the growing reliance of Far East industries on its products, particularly in South Korea and Japan. The trend seems to have started already with Saudi Arabia's Petromin recently conp in light of the current negotiation cluding a long-term agreement for the supply of large quantities of LNG to Japanese and U.S. compa-

> Sheikh Rashid al-Thani, deputy managing director of QGPC and director of the North Field project, describing the market as "tight," said "we have to start soon and struggle to market our products" as soon as the agreement is finalized. Two other members of the Gulf Cooperation Council, Saudi Arabia and Kuwait, head the list of prospective customers. A study is being prepared on the subject by the GCC, which groups the oilexporting states of the Arabian eninsula. Sheikh al-Thani denied that the two states would be offered special treatment or special rates. The understanding is that the price will be set on the basis of supply and demand," he said.

Excluding the possibility of exporting to the United States. tilizer, steel, petrochemicals and Sheikh al-Thani said that he tive clients from Japan and Korea, is very competitive." Of prospec-

- OLFAT TOHAMY



face the danger of losses on the

resale of crude in a volatile market,

and the ministry has been criticized

native if they wish to get new work,

and the solution seems to suit the

trouble selling its crude for cash up

that had previously been frozen.

But contractors face little alter-

at OPEC for the deals.

Building: No New Projects

crude.

would have to draw down financial reserves. But recent figures from the central bank show a small surplus for the first half of the fiscal

The books were balanced mainly at the expense of the contractors. The same central bank figures show that imports of construction machinery and transport equipment more than halved in 1983. dropping from \$303 million in the third quarter of 1982 to \$139 million in the corresponding period of

The main reaction to this belttightening has been to shed staff, both for contractors and for government departments that deal with construction. The Engineering Services Department, the government organization dealing with most public-works contracts, has laid off nearly 1,000 casual workers government, which has often found as well as several of its skilled expa-triates. The ESD budget for 1983-84 is a good indicator of the slowdown - it comes to about \$170 million, compared with \$962 million in the previous budget.

"The amount of money available for work this year is equivalent to about two week's worth of new work last year," an ESD spokes-

Competition for the new projects

that are tendered has become in- for Mirage lighters, may receive tense. South Korea's Daelim In- cash allocations in the next budget dustrial Co., which at one time because of its strategic importance. employed 1,000 workers on its de-In the absence of enough governsalination contract at Ras Abu ment work, contractors have been Fontas, is faced with withdrawal from the Qatari market unless it

looking to the private sector and to the oil companies to keep their orwins work on the Umm Said refinder books full. Several hope that ery pipeline project. This was sub-ject to several rebids and it is possi-ble that the successful contractor private investors will sponsor work at West Bay, the area of reclaimed land to the north of Doha planned will have to take payment in barter as a major real-estate development. To date, the response has been There is some resistance to slow; private investors are relucawarding contracts on this basis. tant to invest at a time of governboth from contractors and at the Ministry of Finance. Contractors

Other contractors have invested in the oilfield services sector, awaiting a government decision to move ahead with development of the offshore North Field gas reserves. The local Mannai group and the Qatar National Navigation Co. have each set up offshore fabrication yards at Umm Said in anticipation of North Field work.

to its OPEC quota of 300,000 bar-rels a day. Last October, Midmac Even if the government post-Contracting, a local company, anpones its decision on the North nounced that it would accept crude Field, there is a substantial amount payment for work on phase two of of work in the oil sector for maintethe new Qatar University, a project nance and oilfield development. The onshore and offshore operat-The pipeline and export facilities ing companies each had 1983 budfor Umm Said refinery may now be gets of about \$250 million, larger let with crude payment. The other than the capital budget of any sinmajor government project, the base gle ministry.

Industry: A Time of Challenge

By Robert Bailey

LONDON - Oatar's heavy industries are facing a challenging period. World markets for the almost totally export-oriented pro-duction of low-density ethylene. fertilizers and steel bars are in recession. Oil production, in line with OPEC decisions, is down to little more than 300,000 barrels a day.

This situation questions the viability of Qatar's industrial operations, which are predicated on a plentiful supply of associated gas, produced at the same time as crude oil, and which, if not used, is flared

However, in spite of the undoubtedly serious constraints, those charged with planning strate-gies for Qatar's heavy industries have a base of production and marketing experience superior to any other state in the region, including Saudi Arabia. But in the next few years, Saudi Arabia and the other Gulf states will, as their own heavy industrial undertakings come on stream, edge into traditional Qatari

The problems do not look any easier in the short term. At the end of 1983 Mohammed Said Mishal director-general of the Industrial Development Technical Center, said of the three principal industries in Qatar that while the Qatar Fertilizer Co. (QAFCO) was profitable, the Qatar Steel Co. (QASCO) and Qatar Petroleum Co. (QAPCO) were running at a loss.

QAFCO was the first heavy nonoil industry when it began operation in 1973. Like subsequent industrial operations it was formed as a joint venture with foreign partners who hold minority shareholdings. In QAFCO's case, Norway's Norsk Hydro has 25 percent and Britain's Davy Power Gas and Hambros Bank 3 and 2 percent respectively. The Norwegians provide management and marketing expertise. The QAFCO plant, built at a cost of 1.36 billion rivals, is able to produce 1,800 tons of anhy-

stocks by taking nonassociated gas from the Khuff geological forma-tion lying under Qatar's principal onshore Dukhan field, 55 miles (88 kilometers) west of Doha. But market prices for trea have declined by two-thirds in the last decade, with the result that profits for QAFCO Doha and other world producers have

Unfortunately such are the econprofit margins from further erosion largely expatriate, 1,200-man labor force may occur.:

QASCO, because of low steel prices and interest payments on capital investment, is in the red. Nevertheless, the plant, opened in-1978, is a highly successful operahas consistently achieved production levels beyond the rated capaci-ty of the plant. Since opening, the plant, which is 20 percent owned by Japan's Kobe Steel and 10 percent by Tokyo Boeki, has turned out 2 with the LNG plants at Unim Said. million tons of steel. Nearly 90 percent of this has been exported, mainly to Saudi Arabia and other Arab states. About 10 to 12 percent of production is used locally in

How far QASCO's fortunes will be affected by sales from the new Saudi Iron and Steel Co. plant at Jubail, for which QASCO has supplied management and technical training remains to be seen.

QASCO general manager, Mo-tomi Kano, believes that the Saudi market will continue to take about 200,000 tons a year of reinforcing bars. He estimated the kingdom's

year. He also said that there was India takes nearly half the out-sufficient room for both in the Sanpur. Other prominent customers in-sdi-market. However, the coordinatclude China, Australia, Pakistan, ing planning mechanisms, such as Malaysia and Iran. QAFCO has they exist of the Gulf Cooperation been able to augment its gas feed. Council are likely to be needed if

long-term friction is to be avoided. The same argument applies to-QAPCO, the most recent of Qatar's. heavy-industry undertakings. which, like steel and fertilizer prodoction, is situated at Umm Said. 30 miles (48 kilometers) south of

OAPCO was set up in 1974. The minority partner is France's CDF-Chimie, a subsidiary of Carbonomies of scale that domestic sales singes de France. QAPCO is the are equivalent to about 10 minutes. Gulf's largest produce of chylene of QAFCO daily production. It and low-density polyethylene, at seems likely that in order to protect least until the Saudi complexes also Jubail and Yanbu come on stream a reduction in the company's, and until Iraq can revitalize its warravaged Khor al-Zubail petroimical complex at Basra:

But the most immediate worry for QAPCO concerns production levels. Problems of falling output for oil and associated gas and the consequent shortage of natural-gas tion by any technical standards and liquid feedstocks from QATAR's two LNG plants worsened in 1982. This was because of difficulties with the pipelines that link Qatar's offshore fields of Id al-Shargi, Maydan Mahzam and Bul Hanine

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Due to a lack of ethane, the essential feedstock, and since the existing low-density (280,000 tons a " year) capacity plant was working at half capacity. QAPCO canceled an construction and small metal industries making pipes, frames and water tanks.

How for OASCO's fortunes will capacity of 70,000 tons a year.

Following this decision, QAPCO has coted to invest in a turbo-ex--" pander unit. This is designed tochill the ethane in associated gas to' increase ethane recovery at Umm Said's LNG plants. In theory, by using the turbo-expander and if oil production is increased to 350,000 barrels a day, QAPCO will be abler to reach full production of ethylene and low-density polyethylene...

Barter Spreads in Oil Industry

(Continued From Preceding Page) companies were granted concession areas and the government was paid a modest percentage of the revenue of production. Foreign companies currently operating in Qatar include British Petroleum,

of oil during the third quarter of crease in demand of about 2 per-last year — followed by Italy, cent. Spain, France and West Germany.

No new fields have been discovered in the last few years, and exploration activity has slowed with the worldwide slackening demand Compagnie Française des Pétroles, for oil. But Mr. Jaidah, who is a Shell, Mobil and Exxon. The latest former OPEC secretary-general. statistics released by QGPC show said that the market had shown that its main export clients are Ja-pan — by far the largest importer two quarters, and he believed that with more than 11 million barrels this year will witness a modest in-

Although not anticipating that Qatar could pump oil anywhere near its maximum capacity of 550,000 barrels a day, Mr. Jaidah said that "Oatar is a small producer that will have to adjust to reality, and adapt to OPEC conditions."

The country's proven reserves will allow it to continue producing at the present rate for the next 30

— OLFAT TOHAMY

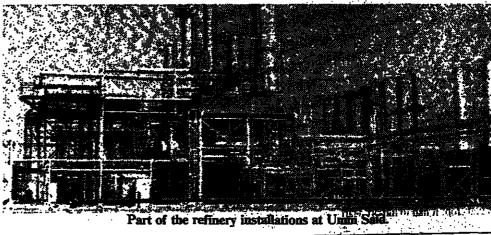
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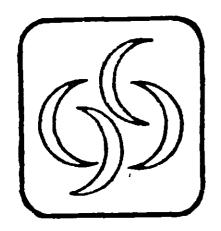
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Learning to Adapt to Less Oil Income

likely to come under pressure to invest \$600 million, half its equity share in the capital.

The Qatar General Petroleum Corp., according to the project director. Sheikh Rashid al-Thani, is participating with 70 percent of the capital, 30 percent of which will be equity.

The project will be a two-phase, long-term investment, expected to bear fruit in eight years when the liquefied natural gas plant will be able

to export two-thirds of its production.

The development of the rich, natural-gas field, the second largest in the world, comes in time to compensate Qatar for the sharp falls in

It will also reduce the country's dependence

But the difficulty of developing will continue to be linked to the unpredictable hydrocarbons market, and Qatar's economy will remain vulnerable over the next decade to fluctuations in those markets.

Qatar has had a disappointing experience with industry. Its major public-sector projects are incurring losses due mainly to declining world prices, unforeseen at the time of the implementation of these projects.

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This applies to the petrochemicals, fertilizer, reached 50, mainly for local market-oriented cement and steel industries. But rather than enterprises. protect the national industry from unfair competition with cheap imports through raising customs duties, the government has opted for lowering the price of the local product, as in the

Qatar is hoping to diversify its industry, which is facing competition from other states in the Gulf, by enhancing complementarity in major industries, said Sheikh Abdel Rahman al-Thani, director of the Industrial Development

Technical Center. He said that in spite of lavish incentives offered by the government to encourage privatesector participation in industrial development

on oil as a source of revenue providing the state private investors remain hesitant and reluctant, with more than 80 percent of its income. The sizable business community, concentrating its activity on trade, construction and bank-

ing, has refrained until recently from making much as local investment. An influential banker edium or long-term investments.

and businessman, Hussein al-Fardan, said that but a positive response to the government's the smallness of the market serving about medium or long-term investments.

policy is gradually emerging as a result of the 300,000 people, including natives and foreign-slowdown in construction work and the reducers, is a restraining factor. tion of private consumption.

mits issued for new industrial projects has banking.

Another healthy sign, according to Abdul Wahed Mawlawi, manager of the Commercial Bank of Qatar, is a 20-percent increase in pri-vate deposits over last year and a shift toward But Jawad Azzeh, financial adviser of the

Qatar National Bank, said that there was a bigger increase in foreign-currency deposits, largely due to the low interest rate on Qatari riyals set by the Qatar Monetary Agency.

This, coupled with the lack of investment banking and a local capital market, could fur-ther offset the balance in favor of investment

QMA figures show that at the end of last year foreign investment was more than four times as

tion of private consumption.

He agreed with Mr. Azzeh of QNB that this Sheikh al-Thani said that the number of per-year will also be a "flat" one in business and

DOHA - QATAR

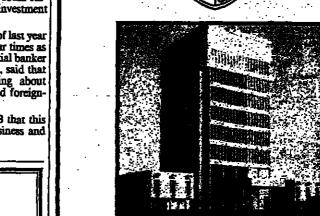
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The new Sheraton's pyramidal architecture dominates the West Bay in Doha.

The Drive to Assure 'Food Security'

By Susannah Tarbush

LONDON - Qatar faces the formidable task of drawing up and implementing policies to combat two of its most serious problems: a lack of food security and the rapid depletion of its water reserves. Qatar shares its concern over the high level of

food imports with its five fellow members of the Gulf Cooperation Council — Saudi Arabia, Bahrain, Oman, Kuwait and the United Arab Emirates. The GCC is worried that the region could one day be confronted with a "food weapon." Thus, the drive to improve agricultural production is a top priority.

Increasingly Qatar's agricultural decision makers see themselves in a Gulf context rather than in a national context. The GCC states are pooling agricultural data and research experi-

A report on agriculture in the Gulf published last year by the Economist Intelligence Unit singled out Qatar for praise. "Qatar is the only country in the Arabian peninsula in which it is possible to find a firm and coherent data base on which to build an agricultural policy," ac-cording to the report's authors, Howard Bowen-Jones and Roderick Hutton. The comments are a tribute to Qatar's inten-

sive efforts over the last decade to gather information and carry out agricultural field work with the help of the Food and Agricultural Organization (FAO) and the United Nations Development Program (UNDP). The Khardoum-based Arab Organization for Agricultural Development are taking topographical surveys.

But hallding a data base is only half the But building a data base is only half the

By 1980 Qatar was 42 percent self-sufficient winter vegetables and 68 percent in summer getables. In other foods there was a glaring ficit, however; the level of self-sufficiency was percent in cereals, and all beef was imported. for was Qatar self-sufficient in dates, the Gulf's raditional crop; it had to import nearly half its

According to Mr. Bowen-Jones and Mr. Duton, "The only agricultural sector that can be egarded as economically justified is the producion of vegetables on an intensive basis."

The experimental farm at Al-Otariyah, operated with FAO assistance, has enjoyed considerable success. Faysal Ruwayha, who worked with the FAO in Qatar as a horticulturalist for eight years beginning in 1974, talked with enthusiasm of the pioneering work to "start something new in the Gulf area — which is greenhouses."

Usually when you think of a greenhouse you think of trapping heat to grow things," he said.
"Here we wanted to expel heat and to trap cold air. It requires certain mechanics." The Al-Otariyah farm was particularly suc-

cessful in producing cucumbers during the scorching summer months. Tomatoes were also grown, although with less spectacular results. Encouraged by this research, the Industrial Development Technical Center (IDTC) has begun a project to produce coolhouse vegetables at Shahaniya. The Dutch company HVA Agro-Industrial is supplying the greenhouses and will build and manage the farm. It will have a reverse osmosis plant to purify water from an under-

ground aguifer.

In another experiment, to be carried out with Japanese help. Qatar hopes to turn the sun into an asset instead of an agricultural liability. The JGC Corp. is exporting a pilot plant to the IDTC for use at the solar heat research center. The idea is to vaporize sea water in ditches, and allow the vapor to permeate a cooler bed of sand above. The system will be used for two years to grow vegetables, including green peppers and tomatoes, and the IDTC will then decide whether to adopt the technique on a wider scale.

The beauty of the Japanese plant is that it uses seawater, important for Qatar, which is literally mining its precious groundwater at an alarming rate. An FAO study warns that the northern aquifer, on which most of the country's agriculture depends, will cease to yield fresh water by the end of the century if current extraction rates continue.

Qatar's meager rainfall of 50-80 millimeters (about 2-3 inches) a year is insufficient for rain-dependent agriculture, but it plays a vital role in recharging the aquifer. It is thought that the aquifer water could safely be tapped at a rate of 33 cubic meters a year without serious depletion, but in recent years the rate has soared to about 80 million cubic meters. The structure of the farming system has not

encouraged good water use. Farming is often undertaken as a somewhat casual enterprise more for pleasure than as a commercial activity. although commercial farming is on the increase. The farms tend to be small with mainly expatriate managers and laborers.

Water is not always used economically. Although the government has taken steps to try to reduce water use and limit pumping, legislation has been difficult to enforce. Mr. Bowen-Jones and Mr. Dutton calculate average efficiency in water use at 44 percent, but research centers have achieved significant improvements.

One way of cutting down the use of groundwater is to provide treated sewage effluent (TSE) as an alternative. TSE has been used since 1974 to water public gardens and ornamental trees in Doha, and it is now being produced in greatly increased amounts from the treatment plant at Naija, south of Doha. Up to 14 million cubic meters (490 million cubic feet) a year of TSE is available for agriculture. Once all houses are connected and another treatment plant is built, the amount will rise to 25 million cubic

The Australian Overseas Projects Corp. has drawn up plans for a farm irrigated by TSE to be set up at Wadi al-Diyab, 70 kilometers (about 43 miles) from the treatment works. The farm is to have 1,000 Frisian cows fed on alfalfa and

A 700mm-diameter pipeline was to have been built, but the government now seems to be having second thoughts about the farm's loca-

Despite the assertion of Mr. Bowen-Jones and Mr. Dutton that only vegetable production will prove economically profitable, the two recognize that Qatar may invest in other sectors of riculture to improve food security. They predict that within 20 years Qatar could achieve a balance of self-sufficiency in winter and summer vegetables, dates, fruit, milk and beef but would remain reliant on imports for most of its mutton and for all cereals and other commod-

Water, Power Needs Continue to Grow

1,500-megawatt power and desali- at \$880 million. nation plant in Qatar, the only major new project for water and power supply. But a decision to award the contract has been delayed for more than a year, and the electricity and water departments are worried about meeting demand for their services beyond 1986 without having the complex on line. Some officials say that now that

the economy has cooled and with expatriates leaving the country, local demand for power and water will cease to rise at the dramatic pace of the 1970s. Others say that the harsh desert summers require heavy use of water and electricity. "Landlords tend to keep air-conditioning on, even if their tenants have left, in order to maintain the fabric of the buildings," an electric-ity department official said. "Otherwise the heat and humidity make the buildings decay."

The water department has simi-lar complaints about the watering of private gardens in summer - to maintain lawns residents often keep hoses on for 24 hours a day. The situation is made worse by

cheap rates for electricity and domestic water supplies, which are held at a fraction of the cost of production. This is true all around the Gulf — raising the rates would be a major shift away from the free welfare system built up on the oil wealth since 1973. Change may come through the

Gulf Cooperation Council, which is attempting to unify and rationalize the price of water and power to consumers across the Gulf. This could be a prelude to establishing an electricity grid system, useful in case of a major power failure in one of the Gulf states. A major stumbling block is the Saudi system, which runs on the U.S.-standard frequency, while the other Gulf states have installed the European standard.

Without major changes of this sort, the Qatari electricity department expects peak demand to grow from the present 724 megawatts to 1,190 megawatts by 1986, at which point the present generating capac-ity will be inadequate. Unless the government moves ahead with the new 1,500-megawatt power station to be sited at Wusail to the north of Doha - the electricity department faces the unpleasant choice of power rationing or of cutting the supply to industry during summer peak demand.

The problem stems from the high cost of desalination and power plants and the government's attempts to cut spending to balance its budget. Wusail's first phase involves eight 5-million-gallons-a-

been submitted for 10 out of 12 150-megawatt steam turbines. The packages on the first phase of a new final cost of the station is estimated and water plants. This has been seep in and make it permanently

The high cost of plants meant that the government was forced in 1983 to offer payments in crude for previous contract obligations of the Ministry of Electricity and Water. ral source of water - the aquifer of

pursued by the water department for outlying areas of the country using reverse-osmosis technology. Another problem is the serious

overuse of the country's only natu-

Unless the 1,500-megawatt power station is built at Wusail the electricity department may have to cut supplies in the summer.

In 1983 it paid out about \$210 sweet water that lies under the million worth of crude for contract north of Qatar. This has traditionaround Doha and for work on the electricity transfer system. It is possible that the government will move ahead with Wusail on the basis of crude oil payments.

work at Ras Abu Fontas power ally supported the small farms in station, three back-up stations the north, where the soil conditions favor vegetable and date cultiva-

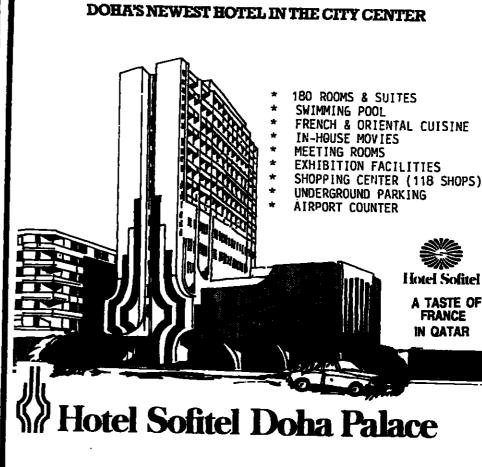
The aquifer is also needed to blend with desalinated water to supply the capital. But if too much

salty. For several years farmers have been pumping out about 80 million cubic meters (2.8 billion cubic feet) of water a year, while the country's limited rainfall only recharges around 25 million cubic

meters annually. Ironically, as water is being pumped out of the northern agmifer, water supplied to Doha by desalination plants has seeped underground and created a mass of unusable water under the capital. In winter this water comes to the surface, causing flooding of base-ments and low-lying streets.

About half the water comes from oraying of gardens in the capital, rest from leaks in the water distribution system. The only solution seems to be to pump the water out from under the capital or cut a channel to allow the water to flow into the sea

- MARCUS WRIGHT



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Conservative Policy Guides Banking Sector

DOLLA conservative policy in developing ts banking sector. The sector is adapting to the austerity forced by he fall in oil revenues, but it is not ispiring to compete soon with the inancial giants of the Gulf.

The highly developed centers, particularly in the United Arab Emirates, are showing signs of train, with liquidity shortages

aused by the oil slump.

Comparing their hardships with Qatar's manageable short-term ottlenecks, Majid al-Majid, generi manager of the Qatar Monetary Agency, said he thought "our cau-

ious approach has proven wiser."

Qatar has 14 banks, all comerzial: four are local and the remainier are branches of foreign banks. A prolonged freeze on new anks ended recently, and two new nanks were set up. They are the Datar Islamic Bank, opened last ummer, and Qatar al-Ahli Bank, which is to open soon. Two of Qa-ar's local banks figure among the op 50 Arab banks. The Doha Bank 28th and Qatar National Bank is Oth. The total assets of Qatar's panks at the end of last year were

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British Bank of the Middle East, Banque Paribas, Oman Bank, Saderat Iran, Arab Bank, Bank aj-Mashrek and Citibank.

now partly filled by the Islamic Bank. The need for investment banking is felt by the private sector. New investment outlets are needed because of a saturation in trade and construction, and government officials, whose policy of directing private funds to productive sectors is making little headway.

As a result, there is likely to be a provided four-fifths of Qatar's forsituation is compounded by the lack of specialized banks in certain potential investment areas, as well

Foreign banks operating in Qa-ar include the Chartered Bank,

Grindlays Bank, United Bank

The lack of investment banks is

Abdul Wahed Mawlawi, general manager of the Commercial Bank of Qatar, said that "there are not enough banking services to guide potential private-sector investors."

continuing reliance on banking fa-cilities ouside the country, especially in neighoring Bahrain. (Bahrain eign currency credits last year.) The

The outflow of funds is liable to grow. The QMA has attached the local banks' outflow of capital, but the agency seems reluctant to take measures to carb the trend.

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Mr. Al-Majid suggested as a way out that the government proceed with investing according to its priorities, then offering successful firms for sale to the public.

The OMA, which partly serves as a central bank, issues currency and supervises at a distance the activities of all banks operating in Qatar. But it has no control over the outflow of currency.

Mr. Al-Majid said that there was an understanding with the banks about a ceiling for foreign transfers, but that punitive action would be taken only in the event of ex-

The Qatari riyal has proven to be strong enough to sustain the country's economic difficulties, not requiring QMA intervention to maintain its rate against major foreign

The QNB complements the QMA, handling most of the gov-

eroment's deposits and disbursements. It was set up 19 years ago with a 50-percent government share. It seems to be the only bank in Qatar that has managed to produce a modest — yet remarkable — 3.3 percent profit last year.

"The bank is growing" said a financial adviser, Jawad Azzeh, re-ferring to a slight increase in the bank's assets and the fact that the bank entered a new phase of development last year with syndication loans of \$75 million and \$100 million for the Qatar Petrochemical

Another bank that is growing professionally is the CBQ, whose profits fell by less than 10 percent during last year. Mr. Mawlawi said that the opening of a training center and the computerization of all operations this year put the bank in a "pre-takeoff stage."

- OLFAT TOHAMY



(للؤمس في دولسة قطسر)

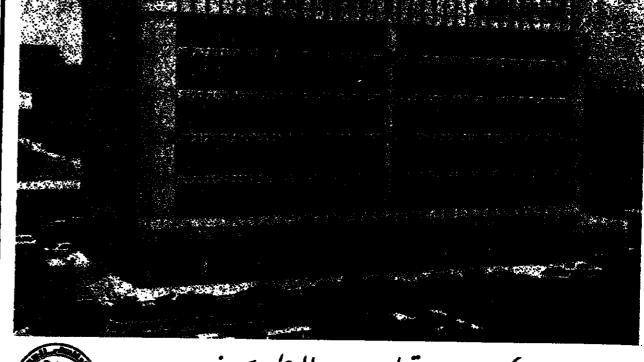
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SOCIÉTÉ NATIONALE INDUSTRIELLE ET MINIÈRE

In 1979, the World Bank

was expecting this first phase

to cost 444 million US current

\$, but thanks to rigorous

its different stages (engineer-

ing, procurement and erec-

tion) and the setting of all the

necessary conditions for a real

and efficient international

competition (tenders), SNIM

has succeeded in bringing the

cost of the project down to

less than 350 million US

current \$. It should be noted

that this was achieved in spite

of an actual inflation rate

much higher than that taken

into account in the World

The project is proceeding to

schedule over 100 contracts

have already been signed. The

first orders were placed

December 1st 1979 and SNIM

S.E.M. is on schedule for the

first Guelbs production start-

up in six months' time - i.e.,

July 1984, the culmination of

a project that was first dis-

SNIM S.E.M. at Nouad-

hibou is a stronger company

now than before the world

russed as far back as 1967.

Bank appraisal.

management of the project at

Société d'Economie Mixte au capital de 9.059.500.000 UM B.P. 42 Nouadhibou Tél: 100 Télex: 426 MTN

RÉPUBLIQUE ISLAMIQUE DE MAURITANIE

SITUATION MAP OF THE INSTALLATIONS



GUELBS DEBUT AT EL-RHEIN — JULY 1984

Iron Ore — the 'motor' driving the industrial development of Mauritania for the past 20 years

by Rupert Bibra

he Iron Ore industry is controlled by SNIM S.E.M., a company ments of the Akjouit copper L that sprang from a government parastatal. SNIM was formed on 27th July 1972 as a wholly owned government corporation to further develop the rich ores of Kedia. It in turn took over the foreign owned Company MIFERMA (Soc. des Mines de Fer de Mauritanie) in 1974 -MIFERMA was nationalised because 79% of its 'added value' profit was being transferred out of Mauritania and the iron ore industry, already 11 years old, was due for indigenization. The owners of MIFERMA were not too upset and remain in the front rank of importers of Mauritanian ore - France, Italy, the UK, West Germany ...

When it was seen that Kedia resources would be quickly exhausted partners were sought, to back the GUELBS project with its almost infinite reserve of 'workable' ores (5 to 6 billion tons). The ores of the El-Rhein and Oum Arwagen Guelbs for



M. Baba Ould Sidi Abdallahi Administrateur Directeur-Général of SNIM.

development cost for these was below \$400 million. In July 1978, SNIM S.E.M. was formed; 71% of the shares were still held by the government but the remaining 29% was sold off to:

The Arab Mining Company The Islamic Development Bank The Kuwait Foreign Trading, Contracting & Investment Co. Le Bureau de Récherches et de Participation Minières (MAROC)

The State Organisation for Minerals (IRAO)

The equity capital was set at over 9 billion Ouguiyas (at the fixed rate of 45.5 Ouguiyas to the US Dollar) and 5 foreigners were admitted to the controlling Conseil d'Administration consisting of 12 members. The Ministry of Industrialization and of Mining is the overall controlling administration.

Twelve international organisations are co-financing the GUELBS project:

\$65 million - Saudi Fund for Development;

\$60 million - World Bank;

\$50 million - Caisse Centrale de Cooperation Economique (France) (\$30 million) with: Banque Française du Commerce Exterieur and Banque de Paris et des Pays-Bas (\$20 million between them)

Kuwait Fund of Arab Economic Development, \$35 million Arab Fund for Economic and Social Development,

Banque Européene d'Investissements; \$30 million

Abu Dhabi Fund for Arab Economic \$20 million — Development,

Overseas Economic Cooperation Fund

\$12 million Banque Africaine de Dévelopment (African

Development Bank);

\$5 million - OPEC Special Fund.

\$338 million in all for a project initially estimated at \$485 million. SNIM - S.E.M. shareholders have provided the remaining financial backing necessary for the first phase.

interest in copper, gypsum, explosives and oil products production - particularly for research. The phosphates of Bofal in southern Mauritania 130 million tons – are ready for development and BRGM (Bureau de Récherches Géologiques et Minières) of France has reported favour-The Guelbs Below is a picture of a black

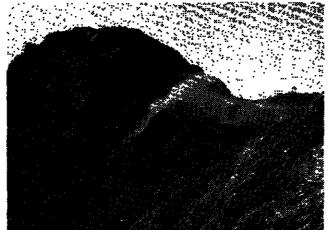
mine debts (SOMIMA), but

keeps its long view

topped quartzite hill, a 'GUELB'. These hills can be over 675 meters tall and are composed of 35% to 42% iron ores - magnetic quartzites. At least six billion tons in the Tiris area (West, North and East), stretching out in the desert to the North-East of Zouerate. The first of these hills of iron ore-bearing rock and consequently resistant to erosion - to be brought into production will be El-Rhein (490 meters). The rate of production from start-up in July 1984 will be 6 million tons a year. By 1991 this can be 15 million tons (in tandem with Oum Arwagen - start-up set for 1989) all by open cast mining. The Guelb iron orebearing rock will be treated before being sent to Nouadhibou's Port Minéralier for

Three groups of GUELB that were looked at before El-Rhein and Oum Arwagen were chosen as the most suitable for the initial phase:

The western group to the Polisario raids in 1977 and North and West of 1978; more Mauritaniaized F'Derik - Atomai (675m), (90% of wages/salaries are Tintekrat El-Beida, Bou paid to Mauritanians - the ex-Derga and El Ajoujt patriate complement has been from 5 to 25 km distant cut to the bone without conand representing 980 commitment loss of effimillion tons of ore.



ciency), tougher and more market orientated. The 60,000 SNIM S.E.M. employees are directed at iron ore and its export, but indigenous steel production is also growing. The iron furnace and rolling mill at Nouadhibou are saving imports and creating a useful export income from steel reinforcing rods sold particularly to Senegal (CEAO duty free) and to Mali and Ivory Coast. SNIM S.E.M. has been

been renowned since the middle ages and has the biggest reserves of all.

1978

Added together, there are certainly over 6 billion tons of these Guelb quartzites and iron oxide ores, more or less martitized to be exploited in the Tiris rectangle (125 km square with the El-Rhein Guelb roughly in the middle) quite apart from the usable iron ore still left in the Kedia massif. The whole Tiris iron ore-bearing rock area is inside Mauritania's frontiers.

b) The eastern group lying to the North East of Zouerate 20-30 km distant El-Rhein, Oum Arwagen and Merizet represents 500 million tons of ungraded ores, El-

> tons and was chosen The Northern group includes Guelb Lehdid (the word lehdid means iron in Arabic) which has

Rhein has 285 million

8.4 MT

6.5 MT*

9.3 MT+

Zouerate - 92.804 rail wagon loads.

EXPORTS OF MAURITANIAN IRON ORE

Notes: * By December 1978 SNIM S.E.M. held over 1.33 MT of

iron ore stock at Nouadhibou, UP almost 1 MT on the beginning

of 1978. In 1978, 7.43 MT of iron ore was brought down from

†9 million ton exports may not be seen again before 1990. 1979

was an exceptional year with sales up 44% on 1978's.

1980

1981

1982

American and European

were exhaustive, over 30,000 tons of Guelb ore have been treated by the pilot plant. Guelb iron ore shipped Nouadhibou should from secure the same prices as Kedia iron ore - \$19.82 a

showed that Guelb ore is

good. The Zouerate pilot

plant supplied samples of

Guelb concentrates to France,

Belgium, the UK, Spain, West

Germany and Japan with

excellent results. The tests

MAJOR CUSTOMERS France, Italy, Belgium and the UK are Mauritania's major customers for iron ore: 1978

rail from El-Rhein to Nouad-

hibou is 670 km. From the

Nouadhibou peninsula ~ Ras

Nouadhibou (ex Cap Blanc) -

the railway line runs due east

and passes to the north of the

Dunes of Akchar in the Adrar

until reaching the old 'Route

de Mauritanie' at Choum.

Here the line turns north-

north east to follow the 'Route

de Mauritanie' camel track

from Char to F'Derik (ex Fort

Gourand) -the original track

France - 3.09 MT

Italy - 1.44 MT

Belgium - 1.21 MT

SNIM S.E.M. envisage run-

The Port

gave up the area of Western

Sahara (Rio de Oro) it had

briefly occupied, excepting La

Guera. This small fishing port

is on the Atlantic side of the

peninsula, whilst the Port

Mineralier is directly oppo-

site on the eastern side just-

inside Ras Nouadhibou La

Guera effectively guards the

Port Mineralier, but Mauri-

tania should give it up when

peace is restored in this area -

though it would prefer to

negotiate a small frontier

change so that all the penin-

sula belongs to Mauritania.

The investment in Nouad-

hibou (population 60,000), the

Refinery and SNIM's HQ/

Quay/Repair Shops etc. has

big advantage over their

South American rivals -

Rotterdam is less than 7 days sailing from Nouadhibou

whilst South American ore

The Port Mineralier will be

re-equipped to be ready to

handle the Guelb ores when

they start coming down the

line circa September 1984 -

Nouadhibou/SNIM have a

en considerable.

Novadhibou (formerly Port

France – 2.20 MT Italy ~ 1.45 MT UK - .88 MT Belgium – .51 MT

tonne in 1982. Now that the turns eastwards again for the railhead at Zouerate - 650 km USA, Japan and West Europe seem to be pulling out of from Nouadhibou and alongside the Kedia ore deposits at recession, demand and price should move ahead too. Kedia ore was always profitable for SNIM/SNIM S.E.M.; even in ning up to 5 trains a day 1982 when sales slipped to (15,000 tons of ore each one) 7.65 million tons, SNIM some time in 1991; when both S.E.M. made a handsome pro-Guelbs in the first phase are fit - nearly double 1980's \$10 fully operational - 3 trains a million, when 8.7 million tons day should be the minimum. (MT) were shipped. Austerity The El-Rhein wagon loading measures, taken in time, saved equipment is already 75% SNIM S.E.M. from going into completed. loss in 1982, although sales per month dipped below 300,000 tons in one month, Etienne) is built on the peninand real capacity for 1982 was estimated at 12 MT. Guelb sula that used to be called Cap Blanc and is tucked well into iron ore will come on sale by the Bay of Levrier. When September 1984 and should Mauritania signed its peace reach export sales of 14 to 15 treaty with the Polisario in MT by 1990, when Kedia Algeria in August 1979, it annual iron ore production

Segazou mines. The iron ores of Kedia have been mined since 1963 and the single track railway line from Nouadhibou to Zouerate via Choum and F'Derik was built specifically to export the richest (631/2% Fe - 641/2% Fe) ores via Nouadhibou's Port Minéralier - again specially built for Kedia ores, just like the mining town of Zouerate. By 1991 the mines of the Kedia will all be exhausted except for Tazadit VI and Segazou - Rouessa, F'Derik, Tazadit I and V will all be closed down.

will be down to 2 or 3 MT

from just the Tezadit VI and

The Railway

The 'Port Mineralier' and the 400 mile railway line were built to export the rich iron ores of Kedia d'Idjil; now a spur line 40 km long has been built North Eastward to reach the El-Rhein Guelb. Obviously this spur line will be extended into the desert as other NE group Guelbs are brought into tests in the mid-Seventies production. The distance by

8.7 MT

. 8.9 MT

7.6 MT

Loans

is about 21 days away.

Mauritania started repayments on its GUELBS loans in April last year, but repayments do not become onerous before Guelb ore production should have reached 6 MT per annum in 1985. Repayments then should run at \$50 million a year. The revival in the world industrial economy is coming at just the right time for Mauritania, and the GUELBS funding should not have to be rescheduled. There is already the capacity to increase sales back to over 9 MT per annum although projections do not envisage exports on this scale before

The El-Rhein Plant

The first train full of Guelb concentrates is likely to pull out from the El-Rhein loading station in September 1984. The official opening of the El-Rhein plant will probably take place in July 1984. At the time, the stockpile of iron ore ready... for processing will be well over

The plant itself lies close under the Eastern side of El- Khein where

800 to 1.800 tons, per hour. The dry system of passing the ores through the grinding, screening, magnetic separation and remilling processor, raises the ore content from its initial 37/42% Fe to 52/53%, Fe and so to a final concen-

trate of 65.7% Fe' (1600 Micron size) for the GMAB quality and of 65% Fe (300 Micron size) for the GFM Naturally, in separating out the ores from the other components of a Guelb, the El-

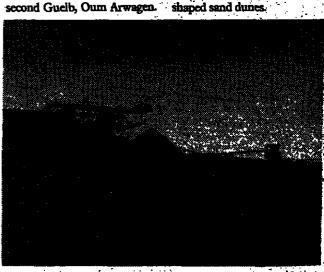
Rhein plant has a considerable waste disposal problem of tailings (LIMS waste and filter fines). Here some water is needed - after wetting the waste passes via conveyor. belts to an area South of El-Rhein and 10/12 km from the this material look like oddly

- There

1 12 A 1

Ac. C

Dellar Value



When both Guells are in full production in 1991, 66 million tons of Guelb will have to be dug away annually in order to vield 33 million tons of Gueib ores for the primary crusher and from which the plant will produce 15 million tons of concentrates.

The sorted ore is carried down from the mine head in the enormous 80 ton capacity trucks and they tip the ore into the primary crusher, where it is ground down from sizeable rocks to 300 mm 'stones'.

The noise made by the primary crusher is hell-like, it uses 600 kw to produce its 3,900 tons per hour of crushed ores. From its base, the conveyor belts take the 'stoop' to a stockyard with a capacity of 480,000 tons (8 stock piles of 60,000 tons each). There are 4 qualities of ore and an automatic sampling tower allows accurate control of all the mine's production.

From the stockyard, two bucket wheel diggers ('reclaimers') pour the ore on to conveyor belts - leading to the Aerofall Mill. Each of the 2 Aérofalls is a large unit, 10.59 meters in diameter by 2.56 meters wide, and consumes enormous quantities of electricity in order to grind down the ore by a dry semiautogenous process. The Aerofalis, mounted side by side, dictated that the power station needed a capacity of 56 megawatts (4 turbines 14 mw. each) to feed the entire El-Rhein plant and these rotating

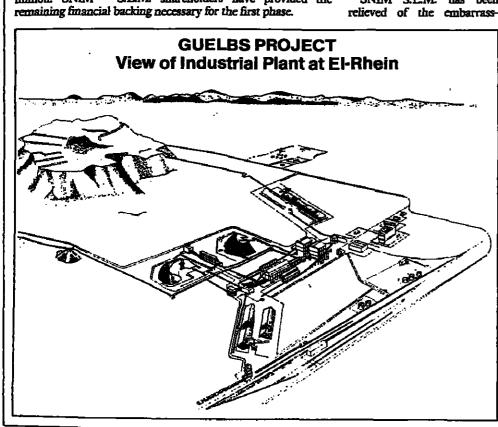
monsters have an output of

The enriched ores are stock piled close by the new El-Rhein rail head; 4 x 60,000 tons; again with conveyor belt-'feed' straight into the rail" wagons - 45 wagons can beloaded in one hour, i.e. 4,000 tons an hour capacity through the loading tower.

Trains from El-Rhein hook

into the original Zoverate-Nouadhibou line at FDerik this leaves the original track from F Derik to Zouerate unencombered to move the remaining Kedia ores of Segazou and Tazadit VI to the sea and makes the distance from El-Rhein to Novadhibou a few kilometers shorter than if the new spur line had actually been extended from Zouerate to El-Rhein. Faking just 2 trains a day, the saving of even 10 km per train over one year is very considerable. The new 20 km tarmsc

road built between El-Rhein and Zoperate is for everyday use by the shift workers of the new plant and the miners of the Guelbs, 523 new lodging houses have been built in Zouerate for these workers Thus, Zouerate, which came into existence 20 years ago for ... the development of the Kedia ores now doubles for the new-GUELBS development * base camp with a new lease of life. The other SNIM SEM. village is outside Nouad hibou near to the Headquarters complex - again X houses and apartments, its own hotel, a social chib, sports facilities, shops SNIM S.E.M. Jooks after its people and visitors too.



NYSE prices P.12 Gald Monthers P.11
Conodian stocks P.16 Highs & Lows P.14
Currency Rates P.11 Interest rates P.11
Commodities P.14 Monthet Sandary P.12
Dividends P.14 OTC Stock P.15
Earnings reports P.14 Other Morkets

Page 11

INTERNATIONAL MANAGER

European Export Plans **Running Deeply in the Red**

By SHERRY BUCHANAN

RUSSELS — Western Europe's government-sponsored export programs, which grant credits on favorable terms and issue political-risk insurance, are running deeply in the red. In 1982, West Germany's Hermes program for the first time paid out ore in claims than it received in premiums. It expects more of the same ttil the end of the decade.

Britain's Export Credits Guarantee Department expects to run a ficit this year, its first in 30 years. Last year, France's Coface had to pay t 13 billion francs—twice the amount in claims that it paid in 1982. In the Treasury, which grants export financing at as much as 10

ity, the Treasury, which grants export financing at as much as 10 reentage points below market rates, is piling up big deficits. It is much the same story in every case. The insurance claims began to we as companies storped receiving payments from their customers in bt-ridden developing nations. In addition, high interest rates have even up the export agencies cost of raising funds. Thus, European vertinents must pour ever-greater subsidies into the programs to make the shortages. In many cases, governments have decided they have no cice. To end the subsidies would mean that their industries would lose in share of export markets, with the consequent loss of jobs at home. air share of export markets, with the consequent loss of jobs at home.

Vhile there has been a decline in the volume of new medium- and long-term export credits and insurance to developing countries, the encies attribute it to a recession-induced drop in demand rather than to st-cutting measures or tougher risk evaluation on their part. "If trade ks up, then activity" at the export credits department will pick up, says

"We're a little more cautious, but we're not exclusively following mmercial-credit considerations," says Peter Gehring, head of the port credit department at the West German Economics Ministry. The k policy has remained more or less the same."

However, Bonn has stopped giving insurance guarantees on exports d Britain has stopped giving both credits and coverage to countries dergoing reschedulings, such as Brazil, Mexico and Nigeria. "Today, rmes is more flexible than it used to be," says Harald Peipers, a mber of the executive board of Hochtief, West Germany's largest astruction company and a permanent adviser on Hermes' exportance committee. But Hermes' flexibility only applies to countries ere risk hasn't materialized yet."

The French, on the other hand, are continuing to grant export credits.

I guarantees on financing where Britain and West Germany are not. /e are more open than others," says a French official, "We are attinuing to provide credits to these markets even if at a slower pace." a result, large West German companies that can no longer get suitable urance coverage from Hermes, are using their French subsidiaries to better export-credit terms.

ome export agencies are taking steps to reduce costs. If that does not mean that their risk policy has changed, it may mean a lower volume redits and insurance granted either because the credit terms are not as ractive to the exporter, as in the case of West Germany, or to the buyer, in the case of Italy.

Hermes recently increased the fees exporters have to pay as part of ir financing cost. The fee for an 8-year contract rose to about 7½ cent of the value of the total contract from 3 to 4 percent. "We will re to increase our price," says Mr. Peipers, "or go further down in our stit margin. So maybe Hermes will get higher fees but less business." at German exports, as a result, could be more expensive.

The Italian Treasury is discouraging export financing in lire and couraging it in dollars. It is cheaper for the Italian Treasury as a ereign borrower to obtain dollars at wholesale rates and lend them to sorters than it is to borrow lire at 22-percent interest and relend them 1 rate of 91/2 to 121/2 percent. Although Italian exporters like being paid lollars, some of their buyers do not like borrowing dollars on contracts nore than 8 years because of the currency risk.

In Italian official said the policy has caused a problem with Algeria.

ich is a major buyer of Italian goods and services and does not want to e to repay its credits in dollars. But, so far, the Italian Treasury is

ading firm on its dollar policy.

As would be expected, the rising costs at the government-sponsored ort programs have prompted even more intensive discussions of ways reduce their financial burdens. There have been the usual calls for wate organizations to take on more of the business, but this option is y taken seriously in Britain and West Germany. And it is unlikely that ingle European country would simply stop the subsidies, in effect laring "unilateral disarmament" in the war for export markets.

Ine British official says that the safest approach is a multilateral one. he multilateral approach to export credits is enshrined in what is wn as the "consensus agreement" among major non-Communist ustrial nations. The latest version, completed last autumn, managed to rates on such credits more closely to market levels. But it was emplished only after long, difficult months of negotiations.

or now, the export agencies seem to be getting the political support y need to keep on subsidizing their operations. The political principle ins to be that pressure to cut subsidies subsides when interest rates

ritain is such a case. In December 1982, the British Treasury pub-(Continued on Page 13, Col. 3)

CURRENCY RATES

Late interbank rates on Feb. 21, excluding fees. ial fixings for Amsterdam, Brussels, Milan, Paris. New York rates at 4:00 pm EST.

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INTEREST RATES

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London	388.25	389,00	+ 3.75
New York	388.40	-	+ 3.70

and Zurich, New York Comex current contract. His bank is one of many to raise its All prices in U.S.S per conce

Southern Germany Shifts Into High Tech

By Henry Tanner International Heruld Tribune

STUTTGART - Moto Meter AG, which once was known for its precision mechanics. now makes highly sophisticated instrument panels for Mercedes-Benz, BMW and Volksagen automobiles.

The company's increasing move into hightechnology production signals a trend that has breathed new life into southern West Germany at a time when the heavy industries of the north are still struggling to shake off the effects of world recession

Today, one-fourth of the value of Moto Meter's production consists of microelectronic components. Much of the work done by the 925 employees goes into processing 5 million of the tiny gadgets every month; fitting and integrating them, welding them, testing them and designing new uses.

Japanese robots and sophisticated computers have been installed in the plant in Leonberg, near Stuttgart. A score of electronics specialists have been added to the staff. The managing director, Rolf Berner, has a doctorate in physics; his predecessor was a businessman by training.

Mr. Berner predicts that within a few years.

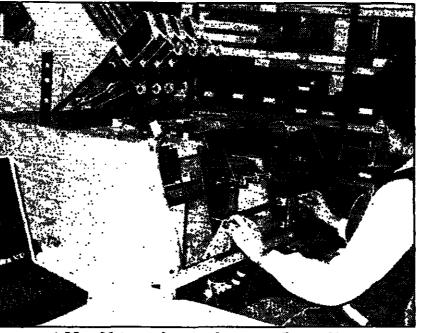
the last moving parts will have vanished from automobile control panels — there will be no more needles on speedometers or tachome-ters — and Moto Meter's entire production will be of electronic parts. Bizerba, another medium-sized precision

mechanics firm in the area, produces electronic scales that butchers and other merchants use to weigh merchandise and calculate its price. The company has gone from producing a mechanical product to a fully electronic one over a period of a few years. The structural conversion of these two

companies is typical of what is happening in the Stuttgart area and the rest of the state of Baden-Würtemberg, as well as in Bavaria, and particularly in the industrial agglomera-tion around Munich.

The southern area, once West Germany's most backward region, is racing ahead of the north, the traditional industrial heartland, in what economic writers here call "the race of

Baden-Würtemberg has the lowest unemployment rate of any state in the country less than 6 percent, well below the national average of 10.2 percent. By contrast, the jobless rate in the northern port city of Bremen,



A Moto Meter employee works at a spooling machine.

and in the state of the same name, is above 12 are forced to import the parts, as Moto Meter percent.

Baden-Würtemberg also boasts the greatest number of new businesses, many of them in the high-technology field, according to Lothar Späth, the state premier.

"We don't have the structural problems that the northern industries have; we are diversified and ready to adapt to new technologies," said Mr. Spath.

Several research institutes have warned

that West Germany is in danger of missing "the second industrial revolution" and losing out to competitors in Japan and the United States in high-technology industries. The extent of the danger is a matter of dispute. But no one denies that it exists.

"We are behind in the development of microprocessors and other electronic components, and this is beginning to affect production and profits." said Horst Rieger of the Stuttgart Chamber of Industry and Trade.

The problem, he said, is that West German high-technology companies that use microelectronic components in their production process or as part of their finished product thus cutting profits and making the company dependent on the whims of foreign suppliers and markets. One industrialist described how he buys

microelectronic components - "Here, there and everywhere," often on a "spot market" when producers are underbidding each other. It is an unnerving way of procuring crucial raw materials, he said. Small users of microelectronic components

say the situation could change only if Sie-mens AG and Robert Bosch GmbH, the two West German giants, decided to gear up for long-term competition with the Americans and the Japanese. There is no evidence that the two companies are willing to make the necessary investments, a consultant said. He added that small West German firms

using highly sophisticated electronic compo-nents in their products are managing to hold their own in "some special corners" of the international market. As an example that innovation has not

(Continued on Page 13, Col. 4)

AMC Earned \$7.4 Million In 4th Quarter

SOUTHFIELD, Michigan - year.

American Motors Corp. said Tues-day that it earned \$7.4 million in the fourth quarter of 1983, following 14 consecutive quarterly losses.

The results, in contrast to a loss of \$2.9 million in the 1982 quarter, came on a 51-percent increase in sales, to \$1.1 billion from \$729 mil-However, AMC said it had a loss

of \$146.7 million for all 1983, narrower than the \$153.5-million loss of a year earlier. Sales for the year were \$3.3 billion, a 38-percent gain

The report showed AMC sharing in what has become the U.S. auto industry's most profitable year

ing subsidiary last year to LTV Corp. and the \$51-million sale of AMC's headquarters building.

AMC is 46.6-percent owned by the French state-owned automaker AMC produces the Renault Alli-

ance and its hatchback derivative, the Renault Encore, which have been selling well. Last year was AMC's best sales year in seven years. But José Dedeurwaerder, AMC's president, said in an interview last month that AMC's future is threatened by companies that make bigger, more profitable cars and that AMC would develop such

ble a bigger car, the Renault R-25, our dealers and our partn in the United States and would nault," Mr. Tippett said.

bring it out for the 1986 model

General Motors Corp. and Ford Motor Co. already have reported record 1983 earnings of \$3.73 bil-lion and \$1.67 billion, respectively. The combined total comes to about \$5.6 billion - also a record for the

Chrysler Corp. is scheduled to report its results this week.

AMC reported total losses of nearly half a billion dollars from 1980 through 1982.

Its sales rose about 71 percent from 1982 to 1983, and the company boosted its market share by I percentage point, to 2.8 percent.
AMC sold an estimated 192,744
cars last year, up from 112,433 in
1982 and the best since the 274,640

AMC's performance was bol-stered by the \$190-million sale of its AM General Corp. truck-mak-called 1983 a "watershed" in which the company introduced its first new line of Jeeps in 20 years, brought back all its laid-off Toledo, Ohio, Jeep workers and hired more, expanded its markets in Latin America and struck a joint venture deal for the production of Jeeps in China, beginning with 20,000 this

> But it also was a year in which AMC stopped making cars of its own design in the United States. The company now designs and makes Jeeps in Toledo, Ohio, and assembles the Renault Alliance and Renault Encore subcompacts in Kenosha, Wisconsin.

an-aid, ors who ch-rec-

"The credit for this year of A steel industry journal last week achievement must go to our emsaid AMC was preparing to assem-ployees, our unions, our suppliers, our dealers and our partners at Re-

NYSE Falls Sharply in Slow Session million shares, down from 77.3 mil- reported record earnings, was

NEW YORK — The New York Stock Exchange, already worned about high interest rates, skidded Tuesday in 1984's second slowest

Mining issues were among the stronger stocks as bullion prices rose on international exchanges, indicating inflation fears have re-The Dow Jones industrial aver-

ige, which fluctuated at the outset, dropped 9.53 to 1,139.34, the lowest level since it finished at 1,124.71 on April 8, 1983. The Dow, which lost 6.07 Friday, has skidded 24.50 the past four

sessions and 147.33 since the first week in January. The Dow transportation average lost 5.78 to 496.53 and the Dow utilities average shed 0.05 to

Declines topped advances 1,070-546 among the 2,010 issues traded.

To Our Readers

Beginning in this edition, Busiweek. Wednesday and Friday, in- expects lower first-quarter earnside the financial section. Today's column is on Page 14.

lion traded Friday, was the slowest third, off 11/2 to 3614. General Mosince 71.3 million changed hands tors fell I to 67% and Chrysler % to Jan. 3. The market was closed Monday for President's Day. "The slow trading at this stage is

almost encouraging," said Michael Metz of Oppenheimer & Co. "It shows selling pressure has eased up. I think institutions are ready to begin buying." Mr. Metz said. "They're just waiting for someone to start if off." Investors are fearful that the

government, which earlier this

month reported a larger-than-ex-

pected 0.6 percent rise in consumer prices, will report a disturbing increase in producer prices Friday. AT&T was the most active NYSE-listed issue, off 1/6 to 161/4. Inmos Ltd. of England rejected a \$65-million AT&T takeover bid.

Among the regionals, Ameritech lost % to 674, Bell Atlantic 4 to 71%, BellSouth % to 93%, NYNEX % to 611/2, Pacific Telesis 1/2 to 571/2 The Big Board volume of 71.9 and U S West 1/4 to 60. Southwestern Bell was unchanged at 60%.

Baxter-Travenol was the second most active issue, off 14 to 181/4. The company raised its dividend to ness People will appear twice a 84 cents a share from 7 cents but

ings. Ford Motor Co., which last week

Among the mining stocks, ASA Ltd. rose 1½ to 62%, Campbell Red Lake ¾ to 28%, Homestake ¾ to 33%, Newmont 1% to 47%, Hecla 11/2 to 21, Sunshine 1/2 to 13% and Callahan % to 2314. IBM, which introduced some

new computer products, fell % to 109%. Among the other high-technology issues, Sanders Associates lost 24 to 364, Teledyne 24 to 1574, Motorola 24 to 1124, Control Data 1% to 35%, General In-

ROLM Corp. jumped 2% to 38%. ROLM began buying back 3 million of its own shares at \$41

Gulf Oil, a 3-point loser last week, shed 11/4 to 521/4. Katy Industries, subject of takeover speculation the past year, plunged 4% to 19. The company said it knew of no reason for the activity in its stock.

Loews Corp., which had fourthquarter earnings of \$7.30 a share, up from \$5.02 a year earlier, rose 5½ to 197. Loews declared a 2 ½for-1 stock split.

is compelling evidence that some-

Dollar and Gold Gain on Tensions

NEW YORK - Concern boost the dollar Tuesday and pushed the price of gold sharply higher. But the dollar gave back some of the gains in New York.

New York markets were closed for a holiday and rose again Tuesday in response to tensions wer Lebanon and the Iran-Iraq In London, where the pound eased Monday, the dollar closed at \$1.4447, almost un-

changed from Monday's \$1.4455. But in Frankfurt, the dollar closed at 2.7035 DM, almost 2 pfennigs above Mon-day's close. In Paris, the dollar closed at 8.3560 francs, up from

2.6818 Friday. In London gold finished at

said. "The lending institutions have

shifted the interest-rate risk on

Mr. Ratajczak does not expect

Given the economy's apparent

economy just a month ago look so

Mr. Ratajczak, for example

spending.

Bankers Say Pledges Arrive on Mexico Loan don interbank offered rate or 1%

NEW YORK — Pledges for a

new, \$3.8-billion low-interest loan that Mexico is requesting for its foreign-exchange needs in 1984 still are coming in daily, banking sources said Tuesday. Banks in the United States, Japan and Europe agreed in principle

to the loan in December. Mexico's overall refinancing of \$23 billion in debt falling due August 1982 Rhodes said. through December 1984 was completed last year and the signing of the 27 separate agreements comprising the restructuring has been virtually completed. An initial \$3 billion in commit-

ments to the new loan, mostly from large banks worldwide, came in almost immediately and sources on the bank committee said telexes are being received daily. Total commitments now stand at more than \$3.2 William R. Rhodes, a Citibank

vice president who is co-chairman of the bank committee for Mexico, has said he expects the loan will be signed by the end of February.

The proposed loan will carry annual interest of 11/2 percentage

Echoing a complaint voiced by

"People are trying to read too much

To Mr. Cohen, one source of the

December weakness may have

been that the Commodity Credit

Corp.'s net purchase of farm crops

fell almost \$4 billion, depressing GNP growth by 1 percent. "Such swings are likely to be reversed fairly quickly," he said.

But there are still some dissent-

ers who argue that increasing pessi-

mism is more justified than increas-

Gert von der Linde, chief econo-

mist at Donaldson, Lufkin & Jen-

rette, said, "My conviction is that

the economy slowed much more in

High interest rates, he contend-

ed, are taking more of a toll on the

January than the data show."

ing optimism

several economists, he added,

into each monthly wiggle."

percentage points above the U.S. prime rate, at the lender's option. The comparable pricing for the \$5-billion loan to Mexico in early 1983 was 21/4 percentage points

above Libor and 2% percentage points over U.S. prime and reflects Mexico's progress in implementing its adjustment program, Mr. The new rates will reduce Mexi-

\$35 million a year, bankers said.

Peru also received a lower interest rate in a rescheduling package signed Feb. 8 totaling \$2.6 billion that included debt falling due through July 1985. Peru did not request a new loan.

Peru's interest rate on the refinancing of debt was 1½ percent above Libor or 1½ percentage points over prime, down from 24 points and 2 points, respectively, on its 1983 refinancing.

TAPMAN

MANAGED COMMODITY ACCOUNTS.

PERFORMANCE RESULTS FOR

COMPTREND IT **BEGINNING FOLITIES** OF \$100,000 ON JANUARY 1 OF EACH YEAR yielded the following

after all charges: IN 1980: +165% IN 1981: +137% IN 1983: -24%

FEBRUARY 16, 1984 EQUITY STOOD AT \$84,028,85

More than \$50,000,000.00 Call or write Royall Frazier at TAPMAN, Trend Analysis and Portfolio Management, Inc., Wall Street Plaza, New York,

w York 10005 212-269-1041 Telex BMI 667173 UW.

economy than is generally realized.

The Board of Directors, which met on 24th Lanuary 1984, decided that, from Mooday 6th February, it would pay an interim dividend of 8 Fra, plus the tax already paid to the Treasury (tax credit) of 4 Fra, ie a total of 12 Fra. It will be paid on presentation of coupon No. 38. Maintaining this payment at the 1983 level will in no way prejudice the sum of the final dividend.

1983: A 25 PERCENT INCREASE IN TURNOVER

The Board also noted the operations of the past year, which, with a provision consolidated turnover of 5,753 million France, show as increase of 25 percent w

The champagne and wines sector has resumed its commercial growth with an increase in volume of 10.2 percent and a turnover of 2,640 million france—21.4 percent more than the previous year.

The increase in the cognar sector is 6 percent for volume and 30.2 percent for π for 1.591 million Franca.

The consolidated sales total in the perfumes and connectes sector is now 1,420 million Francs with increases of 21 percent for DIOR and 12.5 percent for ROC.

Appearing for the first time in the group's consolidated account is the turnover of AROESTRONG NURSERIES in the USA, at a value of 100 million France. The reorganisation of the company in 1983 meant that certain operations were stopped but orders obtained for 1984 show an increase compared with the previous financial year. The 1983 results have not yet been worked out, but it is certain that they will show a marked increase compared with the previous financial year although they will fall short of the very high percentage increase of the turnover.

Stronger Data Change Sentiment on Growth of U.S. Economy first-quarter projections from a Inc., a brokerage house, said, "The high in January, so the figures seem month ago. Inc., a brokerage house, said, "The high in January, so the figures seem stock market is so weak that I feel it to be legitimate," Mr. Ratajczak By Karen W. Arenson food stores and refining.

New York Times Service NEW YORK - Only a month ago there was a toning down of economic forecasts as a stream of data seemed to suggest that the U.S. economy was slowing. Now the emphasis is being reversed.

Last month, economists were looking at data that showed that retail sales rose a paltry 0.1 percent in December. Industrial production, meanwhile, slowed to an annual growth rate of 6.3 percent, down from 9 percent in November and well below July's 31 percent. Overall economic activity, as measured by the inflation-adjusted

I reports indicated that it gained only 4.5 percent in the fourth quarter of 1983, compared with 7.6 percent in the third quarter and 9.7 percent in the second quarter. All the data a month ago seemed to point to a slackening economy. But a recent barrage of stronger-

gross national product, was also

more subdued than expected. Early

than-expected economic data is tilting sentiment back the other way, bolstering perceptions that the economy is continuing to grow at a steady pace and that it has not been sharply reined in. Among indicators for January

that have caught economists' attention are the 15-percent rise in housing starts, the 1.1-percent gain in personal income, the 2.2-percent jump in retail sales and the 1.1percent surge in industrial produc-

Furthermore, the GNP figure for

the fourth quarter was revised up-

ward to 4.9 percent from the preliminary 4.5 percent "The January numbers are coming in exceedingly strong," Edward H. Boss Jr., said vice president and senior financial economist at Continental Illinois Bank in Chicago.

thing is happening out there, even

Robert Eggert of Eggert Economic Enterprises, which conducts monthly surveys of economic forecasts, said, "Everything we looked at in January was just a shade better than we had expected. Auto sales were one signal of the strength. Housing was another. And color-television sales were at an all-time record."

Mr. Eggert said he expects to lift among economists seems to be that his forecast for the 1984 GNP to 5.4 percent, from 5.3 percent, and he looks for the average forecast from the 45 economists he surveys monthly to edge up from 5.2 per-

healthy for an economy still facing high unemployment and relatively low capacity utilization. But the thought disturbs some analysts, including many on Wall Street. Their concern, which is

Strong growth would seem to be

widespread but by no means universal, is that economic vigor combined with growing federal budget deficits will swell credit demand, forcing interest rates up. A related prospect envisions the

Federal Reserve Board tightening monetary policy to avoid an overheated economy, also stalling the

Edward S. Hyman Jr., chief economist at Cyrus J. Lawrence

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Valeurs White Weld S.A.

Over Gulf War that the Iran-Iraq war could close a key oil route helped to

The dollar was bid higher Monday in Europe when the

war, dealers said.

8.2915 Monday. In New York, the dollar closed at 2.6998 DM, up from

\$385.45 Monday.

\$388.50 an ounce, up from

mortgages onto the buyer. But now though the economy looks strong." they are giving an up-front dis-For now, however, the economy count to compensate for that." seems to be showing signs of con-As for employment, he noted: tinued life. The economic data are not as exuberant as six months ago. but neither are they so anemic as to extra people working; it's that the suggest that the recovery is in any payroll work week is up four-tenths of an hour. That means more indanger of dying. The consensus come and more spending."

a solid pace. February to look as strong as Janu-"The economy is doing quite ary. "I'll be shocked if the February well," said Morris Cohen, an eco-numbers are anywhere near Janunomic consultant in Hackensack, ary's," he said. Despite this, he now New Jersey, who expects the first looks for 6-percent annual growth half of 1984 to be strong with economic growth of 5 percent to 6 previous estimate of "5-plus." He percent. "My major concern now is said, "It's just going to be a very that the second half may be stron- strong quarter. ger than I thought, though I am not continuing strength, why did the

the economy is continuing to grow

at a solid pace.

changing my forecast yet." Donald Raiajczak, director of the economic-forecasting project at much weaker? Economists offer Georgia State University, also various explanations, including finds the signs of activity impres- weather and quirks in government

Housing sales have been stronger

than he anticipated. "December points out that bad weather-desales were up a ton, and they stayed pressed December sales, particular-

IN TURNOVER AND TRADING RESULTS The consolidated turnover of L'ORÉAL amounted to 13.500 million French francs for the trading year 1983, against 10,880 million French francs for the 1992 trading year, this being an increase of 24%.

1983: INCREASE IN THE ORDER OF 24%

Using comparative data, that is, at identical exchange rates and on the basis of the same consolidated companies, the increase was 17.2%. Although it is still too early to come to a definitive assessment, profit before tax and participation should be in the order of 1,200 million French francs, against 978 million French francs in 1982, this being a progression approxi mately equivalent to that of the increase in turnover.

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Page 12 **Dow Jones Averages NYSE Most Actives** Close Chris 1139.34 — 9.53 496.53 — 5.78 124.61 — 0.65 446.27 — 3.64 Low 134.00 493.43 123.45 443.90 Vol. 25997 21729 10934 9215 7758 7174 6854 6778 6306 6025 5877 5736 5706 17% 19% 37% 37% 51% 42% 42% 13% 43% 45% 45% 45% 16/2 17/6 36/4 47/4 47/4 10/4 13/4 13/4 12/4 12/4 12/4 12/4 NYSE Diaries Prev 657 881 446 1984 12 Month High Low Stock Sts. Close Div. Ytd. PE 100s High Low Quot. Chase Sts. Close Div. Yid. PE 100sHigh Low Gust. Ch'98

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Warner Says Net Fell 79% In Quarter; Atari Woes Cited

NEW YORK - Warner Communications Inc. on Tuesday said its 1983 losses were partly due to poor results by the company's Atari subsidiary, which was hurt by problems in the video game and nome computer industries.

The company reported fourthquarter profits of \$6.9 million, a 79percent decline from the year-earlier profits of \$33 million. For the year, the company posted a loss of \$417.8 million, after a 1982 profit

Warner said its total debt at year end was \$824 million, down from \$1.2! billion in the third quarter. It listed fourth-quarter revenue

W. German Prices Rose 0.6%

WIESBADEN, West Germany ducer prices rose 0.6 percent last ers, and of the 2600 video computer month over December, and was 2.3 percent higher than in January game console. Warner said.
1983, the Federal Statistics Office Warner said its Warner said Tuesday. The index, base division, operated as a joint venture 1980, showed year-on-year in- with American Express Co., had creases of 1.7 percent in December and 1.4 percent in November.

as \$1.05 billion, off 10 percent from the year-earlier \$1.16 billion. Revenue for the year was \$3.43 billion, a 14-percent drop from \$4.09 billion

The company said it experienced strong showings in its film, entertainment, recorded music and consumer products divisions, resulting in fourth-quarter operating income of \$6.9 million

Warner said the consumer electronics unit, which includes Atari. had fourth-quarter operating losses of \$2.2 million, compared to a profit in the year-earlier period of \$1.2 million

The Atari division turned in a much-improved performance in the fourth quarter, after reporting large losses during the first nine

Atari sales in the fourth quarter WIESBADEN. West Germany were aided by strong sales of the -The index of West German prosystem and the 5200 supersystem

Warner said its Warner/Amex substantial losses, larger than had been expected.

standing, in response to its offer of \$32 a share for up to 2.2 million

shares. The offer expired Feb. 17.

Rolm Corp. of Santa Clara, Cali-

formia, a supplier of digital business

right to withdraw tendered shares

will end March 6, and the offer will

Trafalgar House PLC said the

cent of Gammon Hong Kong Ltd.

nounced in October that it was

Volvo will recall about 30,000

dine, Matheson & Co.

COMPANY NOTES

Eff-Aquitaine, the French statecontrolled petroleum company, plans to raise about 1.5 billion francs (\$180.91 million) through a 1-for-10 rights issue, a company spokesman said. It will lift Elf's capital to just over a billion francs.

Hercules Inc. of the United States and Sumitomo Chemical Co. Lid. of Japan plan to set up a joint venture in the United States to produce polyacrylonitrile precursor for use in carbon-fiber production, Sumitomo said. Hercules, which communications systems, is offer-ing to buy three million of its shares makes carbon fiber, is currently supplied with precursors by Sunika-Hercules Co., jointly owned at \$41 each, starting Tuesday. The by Hercules and Sumitomo.

Hospital Corp. of America, a hosexpire March 13. nital manager and owner, raised its quarterly dividend to 121/2 cents a hare from 10 cents, payable April price of its acquisition of 50 per-

Kawasaki Heavy Industries Ltd. has been agreed on, as anusupour, of Japan said it had signed an at 200 million Hong Kong dollars at 200 million). Trafalgar angreement with Cadam Inc. of Cal-fornia to set up a joint-venture ompany, Cadam Services Co., in buying the stake in Gammon, a construction company, from Jarapan in April to develop and maret computer software. Cadam, wned by Lockheed Corp., curantly sells software in Japan and turbocharged vehicles, sold mainly outh Korea through Fujitsu Ltd. in the United States, Canada, Jaad IBM Japan Ltd. for design pan and Puerto Rico, to adjust gen-onnected with the aerospace, steel, erator cables to prevent their insuutomobile and construction in-

McGregor Corp., a clothing justed to prevent possible leakages taker, said in New York it re- of brake fluid, a company spokeseived tenders of about 4.15 million man said in Gothenburg, Sweden.

By Bell Frozen

MELBOURNE - Bell Resources Ltd's tender offer for 16 million Broken Hill Proprietary Co. shares has been frozen for two days by the Supreme Court of Victoria, a BHP spokesman said Tuesday, but Bell contested the claim.

BHP Says Offer

The offer was due to open as noon Melbourne time and brokers expected Bell Resources, a unit of Robert Holmes à Court's Bell Group Ltd., to quickly gain its objective, equal to about 4.6 percent of BHP's issued capital.

The spokesman said BHP ap-

plied for an injunction and the hearing was adjourned by con-sent for 48 hours, effectively freezing the offer until Thursday. But in Perth, Mr Holmes à Court said the BHP spokesman had erred in saying that the offer had been frozen. He said that Bell had received six million acceptances so far to its tender offer. Bell had agreed not to register the shares after recording the receipt of acceptance, he added.

Brazil Tried to Persuade the U.S. To Drop Penalty Duties on Steel

Brazilian officials tried last week to persuade the Reagan administration to drop high-penalty duties on steel imports in exchange for a Bra-zilian agreement to limit steel sales to the United States.

The 27.7-percent tariff on plate and sheet steel was imposed two rent figure is about I million tons. weeks ago, after the U.S. Commerce Department had ruled that Brazil had illegally subsidized its steel production. Officials in São Paulo said the tariff would remove Brazil's competitive edge in the U.S. market.

The dispute comes at a time when commercial relations between the United States and Brazil are at a low point. Brazil wants to maintain its fa-

vorable trade balance with the United States in order to gain hard currency to pay interest on its ex-ternal debt. But the Reagan administration is under increasing domestic pressure to control imports.

After the Brazilian officials held talks last week in Washington with industry minister, said Brazil's top trade officials, Brazil's com- modern mills can produce quality

would export 1,2 million tons of steel to the United States this year, with or without a tariff.

Dieso Asencio, the U.S. ambassador in São Paulo, disputed that figure, saving the figure is likely to be closer to 900,000 tons. The cur-Steel exports to the United

States bring about \$1.3 billion a year to the Brazilian economy. Officials in São Panlo said those sales are crucial to keeping Brazil's pledge to the International Monetary Fund to achieve a \$9-billion trade surplus this year. This surplus would go toward

the \$11-billion interest payments due to be paid this year to financial institutions in the industrialized world and multilateral lending institutions. Of the nation's \$100-billion ex-

ternal debt, about \$7.7 billion has been invested in steelworks operated by the state-owned Siderbras. Mr. Penna, the commerce and

Washington Post Service merce and industry minister, Cassteel at 60 percent of U.S. prices, SAO PAULO, Brazil — Senior milo Penna, vowed that his country but added, "they won't buy, because it creates unemployment in Pittsburgh."

Mr. Penna said that Brazil has no choice but to repay its foreign debt

US West Forming Management Firm

OMAHA, Nebraska — U S West Tuesday announced formation of a national telecommunications-management company to provide U.S. companies with systems installation, maintenance, engineering and consulting services. Interline Communications, a

subsidiary of U S West, is to be based in Omaha. U S West, a \$15billion holding company created by the break-up of American Telephone & Telegraph Co_ also is the parent company of Mountain Bell, Northwestern Bell and Pacific Northwest Bell as well as several

In addition, the automobile industry, which long ago sunk its roots in southern Germany, proved more crisis-resistant than the steel mills and shipyards of the north.

"Everyone wants a car, even the unemployed, but not everybody buys a boat," said a smiling Mr. Berner of Moto Meter.

Unit of Peugeot This is a frequently heard demand. Another is that the West Broke Even in '83 German stock market be reorga-

trialists access to risk capital. At PARIS - Peugeot SA's Talbot present, it is said, a company can Motor Co. subsidiary is likely to register only by going through a bank, which can take three years. report that it broke even in 1983. A Ironically, southern West Gercompany spokesman said that earnings for the second half would many is in a favorable position to respond to the high-technology challenge because of some initial be about the same as the £1.54 million (\$2.2 million) it earned bedisadvantages. It has neither the fore taxes in the first half. raw materials nor the proximity to

The spokesman confirmed reports that Peugeot has resumed talks with the British government on an aid request for its investment program at the Talbot plant in Ryton, near Coventry.

But the spokesman said the talks are merely a continuation of earlier ones that were intercented when Peugeot management had to concentrate on the violent strikes at Talbot's Poissy plant near Paris in December and January.

BRITANNIA POB 271. St. Heller, Jersey -(w) Brit.Dotter Income \$0.770* -(w) Brit.Drivers Growth \$0.950* -(w) Brit.Universel Growth \$1.140* -(w) Brit.Gold Fund \$1.140* -(w) Brit.Jersey Gill Fund \$2.33* Other Funds CHARTER LIFE INS., Grand Turk B.W.1 —(w) Growth Strategles Fd. 2.247 —(w) Venture Strategles Fd. 1346 —(w) Land Strategles Fud. 11.87 —(w) Futures Strategles Fd. 2.244 CAPITAL INTERNATIONAL —(w) Capital Int'l Fund —(w) Capital Itolia SA DIT INVESTMENT FFM -+(d) Concentra -+(d) Ini'l Rententand - (w) Fac Oriental 52/72 FIDELITY POB A78, Hamiliton Bermuda - (m) American Values Common 5 &1.54 - (m) American Values Common 5 &1.54 - (d) Fidelity American Fund 5 11.55 - (d) Fidelity American Fund 5 11.55 - (d) Fidelity Dir. Sysa. 71. 5 189.73 - (d) Fidelity Por East Fund 517.18 - (d) Fidelity Int. Fund 5 22.65 - (d) Fidelity Por East Fund 5 11.77 - (d) Fidelity Por East Fund 5 11.77 - (d) Fidelity Por East Fund 5 11.77 - (d) Fidelity Fund 5 11.77 - (d) Fidelity Fund 5 13.44 - (d) Fidelity Spc. Growth Fd. 514.41 - (d) Fidelity Spc. Growth Fd. 514.41 - (d) Fidelity Spc. Growth Fd. 514.41 - (d) Fidelity World Fund 5 22.63 FORBES PO 8887 GRAND CAYMAN London Agent 01-539-3913 - (w) Gold Income 57.36 - (w) Gold Appreciation 57.36 - (w) Dollar Income 88.26 Dollar Income \$2.76 G.T. MANAGEARENT (UK) Ltd. (w) Berry Poc. Fd. Ltd. \$2.94 (d) G.T. Applied Science \$15.40 (d) G.T. Applied Science \$15.40 (d) G.T. Assen H.K. Gerin-Fd. \$13.49 (w) G.T. Asser Fund \$3.40 (d) G.T. Asser Fund \$1.40 (d) G.T. Dollar Fund \$10.5 (d) G.T. Dollar Fund \$10.5 (d) G.T. Collar Fund \$10.40 (d) G.T. Bond Fund \$10.40 (d) G.T. Global Technisy Fd \$13.14 (d) G.T. Troestined Fund \$12.61 (d) G.T. Investment Fund \$12.61 (d) G.T. Technology Fund \$32.41 (d) G.T. South China Fund http://doi.org/10.100 (d) G.T. South China Fund http://doi.org/ | INTERNATIONAL INCOME FUND | 29-34 HII St. St. Heller, Jersey | (d) Short Term 'A' (Accum) | 5 1.222 | (d) Short Term 'A' (Distr) | 5 1.0001 | (d) Short Term 'B' (Accum) | 5 1.1527 | (d) Short Term 'B' (Distr) | 5 1.9379 | (w) Long Term | 5 22.23 | (e) 1.99 Term | 5 22.23 | 5 22.23 | (e) 1.99 Term | 5 22.23 | 5 22.23 | (e) 1.99 Term | 5 22.23 | 5 22.23 | (e) 1.99 Term | 5 22.23 | 5 22.23 | (e) 1.99 Term | 5 22.23 | 5 22.23 | (e) 1.99 Term | 6 22.23 | (w) Nor. (w) Novotec Investment (w) Novotec Investment (w) NAMF (m) NSP FLT (m) NSP FLT (m) Operanity Fd Overs NV (m) PANCURRI Inc. S 1738* (w) Wedge I S 18.47 (m) Winche S 21.50 (m) Winche S 7.63* (w) Worldw (w) Worldw S 1.397.60 (w) Worldw

ADVERTISEMENT INTERNATIONAL FUNDS 21 February 1984

shown below are spepiled base quotes are based on is

Credit Plans Deep in Red shares of toiletries maker Fabergé Inc., 95 percent of the stock out-

(Continued from Page 11)

lished a report by a team of minis-Nisshin Steel Co. of Japan said it try economists, led by Ian Byatt, will study the possibility of producing about 3,000 metric tons of deputy chief economic adviser. The report concluded that export subsidies are an inefficient way to prostainless steel in China annually in a joint venture with the Tianjin city tect jobs and cost the taxpayer about £500 million a year.

> But now that the report has been made public, according to British Treasury officials, two of the factors that triggered it have been somewhat rectified: Interest rates nerally have come down and the latest agreement among major industrial nations on export credits brought lending fees more in line with market rates. "The decrease in interest rates and the new consen-— where consensus rates are tied to average bond rates automat-- does very well for stage says a British Treasury offi-

> > International Herald Tribune

Grumman Gets Contract

BETHPAGE, New York -Grumman Corp. said it received a combined \$160-million contract to erator cables to prevent their insulation systems from overheating and about 18,000 others to be admanufacture 270 shipsets of thrust reversers for Gulfstream Aerospace Corp. and Fokker of the Nether-

Southern Germany Moving Into High Tech the creation of a network of coun-

A leading consultant, however, said that while Mr. Spath is creat-

ing a favorable climate for high-

technology development, the deci-

sive push can come only from the

central government in Bonn, in the

form of a reduction of the present

56-percent tax on capital profits.

nized along U.S. lines to give indus

the ocean that provided a boost for

After World War II, the north-

em industries were given priority

because their products were needed

in the rebuilding of the country.
Out of necessity, the southerners

became artisans and developed

small and medium-sized enter-

the heavy industries of the north.

(Continued from Page 11) vanished in West Germany, he seling services for aspiring highcited the recent invention of the tech entrepreneurs. "Lithotripter," a device that uses shock waves to destroy kidney stones and reduce them painlessly to fine particles without physical contact with the patient. The device was developed by Dornier, the aviation manufacturer in Friedrichshafen on Lake Constance. It came on the market last year. About 20 of the \$1-million units are in use in

West German hospitals, and deliveries to other countries have begun. Mr. Spath, the Baden-Würtemberg premier, is credited with having recognized the emerging hightech gap and having moved quickly to narrow il. He has established research in-

stitutes for microelectronics, dataprocessing and molecular biology, each attached to a university. In an interview, he spoke proud-ly of having persuaded leading in-

dustrialists to set up a financing foundation and to pledge the 60 million Deutsche marks (\$22.4 million) needed for the microelectronics institute. The money for the other institutes has also been pledged, he said. Eventually the institutes will fi-

nauce their own operations prises devoted to high-quality, pre-through income from research as- cision work. A tradition of flexibilisignments conducted for industrial ty and openness to change grew up. mnanies.

The state has named a former university president as its delegate for technology. His task includes

Strategic expansion overseas, sustained domestic growth.

NBK: 1983, A YEAR OF SATISFACTORY **ACHIEVEMENTS AND STRONG PERFORMANCE**

"In spite of the difficult economic developments overshadowing both local and international financial markets, it is a particular pleasure to be able to report the strong performance of NBK in 1983. The Bank's leadership in the market, coupled with its reputation for providing professional services of the highest quality, has enabled it to achieve its objectives in terms of market share, asset and liability mix, and profitability." Mohamed Abdul Mohsin Al-Kharefi - Chairmen

■ The Bank's total assets at year end were KD 2,647 million, an increase of 14

Derhand and Time Deposits and other accounts, including contingencial totalled KD 2,476 miltion, 14 per cent higher than the 1982 year end figure.

■ Loans and discounts also increased 14 per cent, reflecting the Bank's

DAM — Deutsche Mark; BF — Beigkum Francs; FL — Dutch Florin; LF — Luxembours Francs; SF — Swiss Francs; a — asked; + — Offer Prices; b — bid-change P/V 510 to 51 per unit; N.A. — Not Available; N.C. — NotCommunicated; o — New; S — suspended; 5/S — Stock Split; — Ex-Dividend; " — Ex-Ris; a — Redempi-Price- Ex-Caupon; a — Formerly Worldwide Fund Ltd

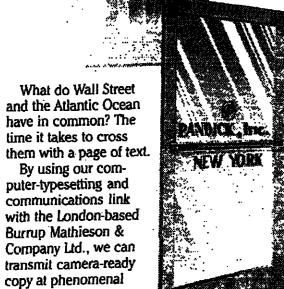
Declared net profit for 1963 amounted to NO 23 million after making all necessary provisions. This is an increase of 15 per cent on the 1962 figure

1982 Kuwait Dinas	ASSETS	ASSETS SSETS Kunnaid Dinara		1982 Kuwati Dinars	LIABILITIES	1963 Kumaiti Dinara	1983 US S Equinaler
100.034.598	Cash and Balances with Banks	\$1,856.256	174,B16,621	2.178 065.767	Demand and Time Deposes and Other Accounts including Contingencies	2,475,804,858	8.476.470 34
174,599 383	Money at Call and Short Notice with Banks	148,920,836	509 904,942	6.285.920	Proposed Dwidend	8.297,415	28 410.34
.—	Guarantee Fund Bonds	149,476,981	511,809,183	2.184.351,587	Total Lisbeines	2,483,902,073	8.504,880,6
130.000.000	Treasury Bats	54,350,000	186,094,400				
63.867.490	Bankers' Nagohable Cershcales of Deposit	46,158,788	158,081.930				
28.071 777	Quoled Investments	63,732,020	218,218,436	34.921.779	SHAREHOLDERS' EQUITY Shere Capital Authorsed and issued - shares of KD 1 each fully paid.	45,095,745	157,835,26
747,853,869	Deposits with Banks	904,342,744	3,096,606.515]			i
1.002,616.961	Loans, Overdrafts and Discounts	1,145,830,317	3.923.323.006	48,296,837	Reserves. Statutory (metating Share Premium Account KD 37,861,537)	50,596,837	173,243,57
28.099 989	Unqualed investments	27.574,363	95,784,219	53,364,700	General	65,000,000	225.964 0
,	Land, Premises and Equipment	1	3	319 420	Undestributed Profit	95,828	297,29
46 110 355	Ower Assets	54,790,180	187 601 576	136 902.736	Total Shereholders' Equity	162,780,413	557,360 1
2.321.254.423	TOTAL ASSETS	2,645,682,486	9.062,240,831	2.321,254,423	TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,846,682,486	9,062.240.6
639 984 296	Leability of Customers for Letters of Credit Acceptances and Guarantees	677,132,053	2,318,500 149	639.984.296	Letters of Credit. Acceptances and Guarantees on behalf of Customers	677,132,053	2,318,500 1
2 961 238,709	}	3,323,814,539	11,380,740,990	2.961.238.709		1,321,814,539	11,380,740,9
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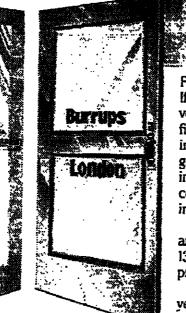
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the Atlantic. Tomorrow.

across the Pacific to the



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BUSINESS PEOPLE

A Morgan Takes Lead Role For Morgan Grenfell in U.S.

Morgan Grenfell & Co., the London-based merchant bank, has appointed John A. Morgan chairman and a member of the board of Mor-gan Grenfell Inc., its subsidiary in New York.

Mr. Morgan. 53. is a great-great grandson of Junius Spencer Mor-gan, one of the founders of Morgan Grenfell's predecessor firm, J.S. Morgan & Co. His great-grandfa-ther and his grandfather, both named J.P. Morgan, built Morgan

Koning Is Proposed As Grundig Chairman

Herman Koning will be nominated as chairman of Grundig AG if the West German Cartel Office approves Philips NV's bid to raise its stake in the consumer-electron-ics concern to 31.6 percent from 24.5 percent, effective April 1.

Mr. Koning, 59, is chairman of Allgemeine Deutsche Philips In-dustrie GmbH, the West German

Bank into one of the leading banks of the early 1900s. His father was one of the founders of Morgan

"It's more efficient to have a senior American as chairman of our New York operations," said Chris-topher Whittington, who is based in London and has been named executive vice chairman of the New York unit. "And it never hurts to have a Morgan in there," said a London-based analyst.

Not only will Morgan Grenfell be looking to bolster its mergers and acquisitions business in the United States, but it is "looking at things like risk arbitrage, trading at things like risk arbitrage, trading in U.S. government securities, ar-ranging industrial-revenue bonds, and domestic pension management in the United States, said Mr.

The company said that Mr. Morgan's post as chairman of Morgan Grenfell Inc. will be a non-executive one and he will therefore continue as senior partner of Morgan Lewis Githens & Ahn. a New York

Pan Am Posts Established

Pan American World Airways has created an office of the chairman "in a move to streamline the company's senior management organiza-tion," the New York-based carrier said.

The reorganization is effective March 1. The chairman's office will be composed of C. Edward Acker, chairman and chief executive officer, and two vice chairmen — Gerald L Gitner, formerly executive vice president, finance, and Martin R. Shugrue Jr., formerly senior

vice president, marketing.
Mr. Shugrue, 43, joined Pan
Am in 1968 as a pilot-flight engineer. He subsequently held
executive posts in the personnel, labor-relations and field marketing departments, includ-ing that of regional managing director for the United Kingdom and Western Europe, based in London, Mr. Gitner, 38, joined Pan Am in March 1982 as senior vice president, marketing and planning, from People Express.

Other Appointments

André George, a partner of Price Waterbouse & Partners, has been appointed special financial adviser to the Luxembourg government on financial matters relating to the re-structuring of the Luxembourg steel industry. Mr. George has been with Price Waterhouse & Partners since it was formed in early 1983. Before that he was with the French tressury and the international distreasury and the international divi-sion of Société Générale, before serving as director of finance and treasury at the European Invest-ment Bank from 1974 to 1982.

E.K. Den Bakker, chairman of the executive board of Nationale-Nederlanden NV, the Netherlands' largest insurance group, will retire at the end of the year. Named to succeed him is T.C. Braskman. O. Hattink will become deputy chairman of the executive board.

Dow Chemical has appointed Frank P. Popoff a vice president. Mr. Popoff, 49, will continue to serve as president of Dow Chemi-cal Europe, a post he has held since January 1981. He has been a member of the Dow board since December 1982. Dow Europe is an operat-ing area of the Midland, Michigan-based chemical concern

Western Europe, the Middle East and the financial analysis depart-and Africa, Mr. Popoff is based at ment. In addition, Mr. Wagner will bow Europe's headquarters in continue to work on senior banking

Raymond Wright has been appointed general manager of National Advanced Systems U.K., succeeding John Clements, who continues as vice president for Northern Europe. Mr. Wright was managing director of United Financial Services, a subsidiary of United Leasing PLC, a British leasing concern. National Advanced Systems, a unit of National Semiconductor Corp., is a supplier of conductor Corp., is a supplier of IBM-compatible computer systems and related products.

André de Sike has been appointed to the board of Paris-based Charterhouse SA, which was formed in 1972 to provide development capital to private French companies. Charterhouse SA is owned by Charterhouse J. Roth-

Morgan Guaranty Trust Co. of New York has appointed Rodney B. Wagner vice chairman of the credit-policy committee. He will oversee the bank's loan-portfolio management, including country limits, sovereign credit advisory,

continue to work on senior banking assignments and special projects for clients in Asia, the Middle East and Africa.

BAT Industries has appointed Sir Denis Mountain and David-Jessel directors. Sir Denis is chairman and managing director and Mr.
Jessel is deputy chairman of Eagle
Star Holdings PLC, which recently
was acquired by the London-based
tobacco, retailing and paper concern. In addition, Pairick Sheehy and Brian Garraway have been ap-pointed to the boards of Eagle Star Holdings and Eagle Star Insurance Co. Mr. Sheehy is chairman and Mr. Garraway deputy chairman of

Aerospatiale, the French stateowned aerospace concern, has ap-pointed Michel Thomas head of the helicopter division, succeeding François Legrand Succeeding Mr. Thomas as president and general director of SECA and Sogerma, units of Aerospatiale that specialize in aeronautic maintenance, is

- BRENDA HAGERTY

EC Ministers Assail Protectionism in U.S.

BRUSSELS — The European Community Tuesday noted with "disquiet" what it called rising pro-tectionist pressures in the United

Its foreign ministers, meeting here, said in a statement that measures under consideration in Washington could affect \$4.7 billion of EC exports to the United States.

The statement was issued shortly after the ministers rejected French-led efforts to open proceedings in the General Agreement on Tariffs and Trade, which regulates world trade, to limit imports of U.S. cereal substitutes.

Diplomats said ministers con-tended that the EC could not warn pursuing protectionist measures of

They said the statement was meant to support President Ronald Reagan's anti-protectionist admin-

istration in resisting strong pressures in this U.S. election year.

The ministers' statement recognized that the Reagan administration "has taken a firm stand against protectionist pressures," but said the situation remained alarming.

Six. Close
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The statement notes that Washington had been asked to take action on imports including steel, wine and machine tools.

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The ministers warned that U.S. action "could lead to a dangerous increase in trade restrictions and to a rapid erosion of the open multilateral trading system on which world prosperity depended.

They also reminded Washingtonof the commitment at last year's Williamsburg summit to halt protectionism and reverse it by dismantling trade barriers.

The diplomats said ministers from Britain, West Germany and the Netherlands were among others who opposed issuing a tougher the United States against breaking statement, fearing it might underits free-trade commitments while mine the administration's attempts. to stem protectionism.

They had earlier argued it was untimely to take action on com-gluten, a cheap cereal substitute used for animal feed.

But the ministers agreed that the EC's aim remained to stabilize imports of this product once the EC had reformed its largely protectionist cereals and dairy subsidies \$\sscale{5}\sigma_{\text{oreals}}\$ tem, the diplomats added.

holding company for Philips. He would succeed Max Grundig, the company's founder and chief. investment banking firm he helped found in 1982. that encompasses Eastern and Dec 3818 3834 3818 3848 Mar 3878 Est Sales 23.567 Prev. Sales 17.819 Prev. Day Open Int. 38.897 off 549 **U.S. Futures Prices** Feb. 21 100 <u>Financial</u> 4.55 6.92 7.30 7.56 7.75 8.25 8.75 8.75 8.75 2.75 7.10 7.45 7.70 7.90 8.45 8.86 9.13 9.43 6.75 7.10 7.45 7.72 7.90 8.45 8.87 9.12 9.43 Prev. Day Open Int. 526.53 18 YR. TREASURY 5100,000 prin- pts & 32nds o Mar 79-14 79-17 Jun 78-10 78-15 5ep 77-23 77-25 <u>Industrials</u> 7.01 7.17 7.28% 7.27 7.12 7.00% 7.13% 7.25 7.32% 2455 2384 2359 2340 2325 2315 2315 65-11 67-26 67-10 66-11 66-21 65-21 65-21 68-20 68-2 67-16 67-1 66-19 65-25 65-13 65-2 64-24 Prev. Day Open Into SOYBEAN MEAL 100 tons oldiers of Mar 1900 Jul 1960 Sep 19450 Oct 19450 Dec 19450 Dec 19450 Prev. Day Open I | Signa | Sign 74,88 75,95 76,12 74,10 72,83 SOYBEAR OIL Metals +.01 --.07 --.09 --.03 +.02 +.01 +.02 +.01 1.417 2 1.44 2 1.48 1.70 Mor 99.72 89.77 89.71 89.76 Just 99.72 99.28 99.72 89.77 Sep 85.91 85.94 85.91 85.92 Dec 85.93 85.45 85.42 85.44 Mor 85.97 85.37 85.45 85.45 Jun 88.13 88.13 88.13 88.13 Est. Sales Prev. Sales 4.314 Prav. Day Open Int. 58,225 att 176 +.01 +.01 SILVER 925.5 927.0 935.0 942.9 959.0 975.3 1000.7 +9.5 +9.8 +9.2 +9.7 +9.9 +10.3 Livestock Stock Indexes BRITISH POUND Sper pound-1 bolining Mor 1,445 1. 77.00 69.87 67.85 67.05 66.45 67.12 79.30 69.20 67.00 66.40 66.40 66.45 PREV. Day Open II PALLADIUM 100 troy oz-dollor Feb 162.00 Mar 162.00 Apr Jun 161.00 Sep 161.00 Dec 161.00 Mar 161.70 Est. Sales 99.55 90.60 91.90 93.00 94.50 95.50 Market Guide Market Guide Chicago Bourd of Trade: Wheal, corn, saybean, saybean meal, saybean all, ords, fresh broilers, T-bonds, GNMA, 16-yr T-notes, piywood. Chicago Mercanitis Exchages (critie, feder cattle, hoss, port, bellies, lumber, S&P composite index, New York Mercanitie Exchange: Mains polotoes, latinum, heating all, Caitee, Separ and Coosa Exchange, New York: Catlee, supar, cooo., Cotton Exchange, New York: Oranea luica, cation, New York Comes: Caoper, silver, gold, Ini'l Monetary Market: T-bills, CD's, Eurodolliers, British pound, Canadian' dollar, Franch franc, German mark, Japanese ver, Swiss franc Kansas City Board of Trade: Volue Line, New York, Faheres Exch.: NYSE composite index. 7797 02, 3 38540 288,40 3 38720 38720 3 38720 38720 3 388,00 372,40 745,00 372,40 415,01 485,50 415,01 485,50 455,50 457,50 457,00 447,50 447,00 447,50 447,00 447,50 447,00 447,50 447,00 447,50 447,00 447,50 Commodity Indexes Close Previous Moody's 1.047.10 f 1.051.10 f Reuters 1.960.30 1.961.80 D.J. Futures 141.20 140.91 Moody's : base 100 : Dec. 31, 1931. p - preliminary: f - final Reuters : base 100 : Sep. 18, 1931. Daw Jones : base 100 : Dec. 31, 1974. Paris Commodities London Commodities **Dividends** Feb. 21 Cash Prices Feb. 21 Year Age 1.43 6.61 420.00 213.00 62-63 204: 82*: 8.49 1.44 1.49 Tue 1.52 0.85 453.00 273.00 97-98 674-72 6.3748 0.51 159-162 9.13 G 17 3 19 G 33 41 G 51 12 41 G 38 14 42 G 31 12 43 G 46 330 G 47 41 1,588 1,694 1,765 1,845 1,895 2,065 8 forts Moor 120.25 604 lois of 5 COCOA Marr 1.752 Moor 1.754 Jul 1.759 Dec 1.739 Moor 1.754 Jul 1.750 Dec 1.739 Moor 1.752 Moor 1,590 1,698 1,770 1,850 1,999 2,075 Prev. PROPOSED STOCKS SPLIT 1.685 1.697 1.764 1.701 1.689 1.684 1.684 NYSE Highs-Lows Feb. 21 2.080 2.114 2.165 2.145 2,055 2,070 N, T, 2,185 2,165 N, T, N, T, n Care -- 3-for-2 mamunications -- 3-for-7 Ports -- 3-for-2 tries Inc -- 2-for-1 Gol Works -- 2-for-1 2,048 1,936 1,857 1,818 1,787 1,750 1,718 2.047 1.935 1.852 1.817 1.785 1.786 1.716 NEW LOWS 2,490 2,380 2,290 2,265 2,250 London Metals Feb. 21 AMEX Highs-Lows Feb. 21 1,0750,00 1 stes: 985,50 1,008,50 1 8,400,00 8 8,740,00 8 284,00 293,75 475,00 449,50 452,00 989.00 1,009.00 8,410.00 8,745.00 294.50 676.00 676.00 638.00 653.00 990.00 1,011.00 8,765.00 8,765.00 285.50 274.50 675.00 687.00 632.00 647.00 99)_50 1,011_90 8.430.00 8.766.00 286.00 295.00 676.00 647.50 647.50 NEW HIGHS NEW LOWS NEED A SECOND OPINION? YOU'LL FIND IT ON THE IHT'S EDIT PAGE Herald Eribune IMMIGRATION U.S.A Reaching More Than a Third of a Million Readers in 164 Countries Around the World. Experienced legal counsel for permanent/temporary U.S.A. Visas. Consultations in U.S.A. and all major cities. Our newsletter on request. (212) 532-9300 Weisberg, Sieven and Mammana Attorneys at Law 22 East 40 St. Suite 2014

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SPORTS

Keegan Throttles Down From 100-Plus



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E ...

om Seaver loosening up Monday with his new teammates.

Vith Final Blast at Mets. Seaver Pitches In for Sox

ild they be so blind?" The 39-year-old pitcher said "it

ividual meant to an organiza-1 and what he might mean to t organization in the future? ry have no concept of that. cent of the home attendance sed through the turnstiles when tched. Then they let this happen

told me they were sorry it hap-ed. I'm still in a kind of disbethat they couldn't see the forest the trees." saver joined the White Sox for r third workout of spring trainand received a proper if some-

t restrained greeting from his teammates. Manager Tony tussa shook hands with Seaver then allowed him to work out ris own. hen Seaver, in the blue shirt

white pants of his new team, t to the mound. After starting games in the National League, winning 273 of them, he was games in the National League,
winning 273 of them, he was
ching to the American League
is 18th season. He tossed the
lightly for eight minutes.

aRussa, who led the White Sox
te championship of the league's

w. Carolino 28, Furman 28 (12 07)

MMDWEST

Evensylle 61, Defroit 59

Lovio 75, St. Louis 64

Orio Roberts 108, Butler 100

Xavier (Ohio) 38, Okiohoma City 39

Southwest 108

Southwest 105

Southwest 105 ne championship of the league's onship in 1969. -- ritem Division last year, repeat-

5 pitcher.

REAL ESTATE

He also acknowledged that SARASOTA, Florida — 10m aver, "mentally spent," joined tary. "I know he's a man or many chicago White Sox Monday pendence. We won't intrude on that But we have a lot of together-thic club. You do the program here."

When he finished his workout, 5 a huge mistake" for the Mets Seaver walked into the little woodto protect him from the free- en clubhouse and sat down. Only ent compensation pool last three days earlier, he had been nth. "I find it unbelievable. Not home in Connecticut, stalemated ause I'm Tom Seaver, but how with the White Sox over his conild they be so blind to what an tract. He finally agreed to accept the \$750,000 base pay stipulated in 14. Duke his contract with the Mets, and the 15. Woke Forest White Sox agreed to liberalize the bonus poyments, starting with _ I pitched well last year, and 40 \$50,000 if he pitches 150 innings. "There's a new uniform and new

people. I've never even seen Comiskey Park, or Fenway Park in Boston, or the stadiums in Toronto or Texas.... That'll all work out. It's a matter of time. There's an underlying factor that makes it work: The addition of Seaver (9-14

with the Mets last season) rounds out what could be one of the most devastating pitching staffs in the major leagues. LaMarr Hoyt won the Cy Young Award with a 24-10 record, Richard Dotson was 22-7, Britt Burns was 10-11 and Floyd Bannister finished at 16-10 — win-

This is an established club.

The standard established club.

Som Houston 77. Howard Payme 6

Texas-El Pass 62. Colorodo St. 55 is assurances that Seaver would They've had a taste of winning but become merely his solid staff's not a full mouthful yet. I hope I can help with that."

REAL ESTATE

LONDON - The English, fast Liverpool.

pupils of the American arts of work ethic and overstatement, see the best soccer players as those who give "110 percent" and the best teams as those that run "at 100 miles per hour." They pause to consider the use of

words about as often as their players slow down to acquire the touch of subtlery needed to prize open mass defenses. Their yardstick is raw physical effort, from which springs the coaches' ultimate compliment (or perhaps the ultimate plus 10 percent).

Kevin Keegan has been their prime exhibit, a player whose mileage puts your average marathoner to shame. Keegan, the most modern of the modern millionaire

profit by his announcement, issued exclusively through a newspaper. Thus we might say, Joseph Kevin Keegan succeeded all the way to the end in extracting more from his talents than any of his contemporaries have. By fanatical application in the

stadiums and on the training field, he scaled every height available to a club player. By seldom passing up the main chance, he secured his millionaire's way of life. Not bad for the son of a coal

miner. And not bad for a player next breath after his notice to quit, Liverpool.

Keegan disclosed a desire to ride a The price, that day in 1971, was baked beans, ice cream and gasoline, horse in a future Grand National at \$33,000, hardly sufficient these chewing gum and trucks. Money for

Keegan's superstardom blossomed. And it was playing for his latest which his fame was built is deserting him.

The two men who most influenced his beginnings — his father, Joe, and his former manager, Bill

ROB HUGHES

Shankly—are, sadly, dead; but the other unflagging believer, his wife Jean, stands to be the main benefactor of his retirement.

He promises a more "normal" existence in which he will share the day (his 33d birthday) to disclose that he will retire after this season.

He also chose in the season. He also chose, inevitably, to him (they never did leave his mentor of it by his announcement, issued tor, Shankly), Keegan can truly settle for normality. Soccer has consumed his every

waking day for 17 years — and many childhood days before that. His imagination stretched to a career as goalkeeper but his physique never rose to it. Even as a forward, he was rejected after trials with Coventry and resigned himself to amateur Sunday league play with a brassworks reserve team.

Then a talent scout for Scun-

thorpe United looked at his bubbling enthusiasm rather than his spurned as too small a teenager to size and, from that opportunity make the professional grade. May with a lower-order club, Reegan be that samb explains why, in the matured until, at 20, he moved to

between them that flowed like elec-tricity. "Keegan," Shanks used to say, "ignited the place." and mind together. For Liverpool he Cup in 1977. Keegan

Torumy Smith, Liverpool's hardman captain of that time, captured the mood: "From the start, Kevin had the locker-room jealousy to twice emerge crowd in the hollow of his hand. He as Europe's player of the year. The ran like he was wound up, took on opponents big enough to drive him Mouse;" more than once the public into the ground with a tap on the head paid £2,500 (these days, about \$3,600) and left them looking like they'd for the pleasure of an hour's autograph signing.

Mr. Smith Precisely. Mr. Smith Precisely.

To confound those of us who

suspected he might burn out a body that refused to grow much above 5foot-7 (1.70 meters), he now runs up against retirement on his own terms. A yard of pace is gone, but no more than a morsel of hunger. He plays as if he dare not lose, a compulsion that once landed him in a hospital. While filming a television "Superstars" segment in 1977, he fell

off a racing bike, tearing flesh from a shoulder. He refused aid, remounted and completed the course to win the overall title. That night Keegan collapsed with intestinal pains. A doctor warned: The human body is designed to run

at, say, 70 miles an hour; you've been

running at 110." (There we go again that magic number.) He was also being ferociously mar-

keted. Off his back were hawked aftershave and sportswear, biscuits and dustry to George Best's fleeting ge- but if they work as I did they might scored for Newcastle.

days to keep his pet racehorses in TV appearances, books and ghost-It was, after all, at Liverpool that training for long.

Keegan's superstardom blossomed.

Keegan and Shankly were a of Man tax haven. And, being a man hand it was playing for his latest hand-in-glove fit: Each had coal raised to give value for money, he

club, against Liverpool, that he redust in his family and soccer in his frened. He smiled to disguise fangue, cently realized the athleticism on marrow; there was an enthusiasm and he alone knows how he held body For Liverpool he won the European Cup in 1977. Keegan then sought challenge, fame and fortune with SV Hamburg, stubbornly resisting its initial

Rich by now, he came home in 1982

to play for Southampton and to lay the foundations of a family residence. Yet immediately after the 82 World Cup, bitter at being dropped after a decade with the national team, he walked out on Southampton to revitalize the sleeping giant of Newcastle — 400 miles (644 kilometers) north. Newcastle fans flocked to his flame, but despite the private jet, the luxury car and the \$90-a-night hotel suite, four days a week away from his family

Liverpool's Mark Lawrenson chased buried them beneath a painstakingly and caught him, that the old pace had polished image. waned...."I felt outclassed," he said, "for the first time in my life."



Keegan: Getting more from his talents than any of his peers

"The letters which mean most," he

And fate took Newcastle to Liver- nius; yet Keegan indisputably achieve something. I'd like to be repool in the FA Cup a few weeks ago. achieved and earned more. The sumembered as a hard-working dedicat-As Liverpool won, 4-0, old father time preme self-made player, he squaned player who achieved an awful lot froze out Keegan in front of a once dered nothing. He had aberrations of more through hard work than players adoring crowd. He knew, the moment ill temper and bouts of neurosis, but who maybe began with more ability." But first he has to break the addiction.

t of port, ally usi-, the

ant lan-aid, tors

He has to stop running, has to said last week, "are from mums who learn to walk and to walk away. Few would compare Keegan's in- say their boys are not naturally gifted. Last Saturday, by the way, he

College Basketball Polls The Associated Press 17. Temple

NEW YORK -- The top 20 teams in The Associated Press college basketball pall first-place vales, total paints, records brough Sunday and last week's ranking):

. No. Corolina (61)

College Basketball Scores EAST Bowdein 97, MIT 78

SOUTH Alabama 74. Aksalssinal 65

Delto St. 90, N. Alabama 80
Florida 78, Georgia 64
Florida St. 52, Tolane 51
Georgia Tech 70, Maryland E. Sho
LSU IS, Mississippi St. 79
Louisville 90, Wright St. 69
Memohis St. 69, So. Mississippi 67
NE Louisiana 60, SE Louistana 55
Navy 66. E. Carotina 56
So. Carotina St. 65, Flarida A&M 6
So. Florida 58, Ala-Birmiphom 57
Temessee St. Auburn 54 Tennessee 57, Auburn 54 Tenn-Chattanooga 63. Davidson 40.

. I hope I can Col-Irvine 97, Pocific (Colif.) 64 (NYT, AP) S. Oreson 62, Pocific (Ore.) 57

United Press International NEW YORK (UPI) - The United Press place vales and records through Si 1. Na. Carolina (23-1) (46) 1. Na. Carellia (13-1) (46) 2. Georgetown (23-2) 3. Houston (23-3) (2) 4. Kenfucky (23-3) 5. DePaul (119-2) 6. Illinois (23-3) 7. Nevada-Los Vegas (23-2) B. Oklohoma (22-3) 9. Texas-El Paso (22-2) 0. Tulsa (22-2) Arkonsos (21-4) Purdue (18-5)

NHL Standings WALES CONFERENCE



Smythe Division

Edmonton

42 14 5 89 330 232

Calgary 25 22 12 62 230 240

Well COME TO THE NHL: U.S. Olympian Scott Bjugvancouver 21 27 18 52 27 278

Vancouver 23 22 6 2 279

Los Angeles 19 30 12 30 24 277

Monday's Result

Los Angeles 19 30 12 50 246 277

Monday's Result

Los Angeles 2 Minnesoto 2 (Toylor 2 (13)).

Monday's Result

Los Angeles 3 Minnesoto 2 (Toylor 2 (13)).

Monday's Result

"I'm glad I got hit," said Bjugstad, whose lip was cut on the play. "That'll teach me to keep my head up in this league."

er: Fronk Roberts, offensive lineman; Goylord Peut, sotety, and Milke Perts, detensive, devil, Peut, deventy, and Milke Perts, detensive, and Peut, sotety, and Milke Perts, detensive, and Peut, sotety, and Milke Perts, detensive, and Peut, sotety, and Milke Perts, detensive and Peut, sotety, and Milke Perts, detensive and Peut, sotety, and Milke Perts, detensive and Peut, sotety, and Milke Perts, detensive, and Peut, sotety, and Milke Perts, detensive and Peut, sotety, and Milke Pe INTERNATIONAL CLASSIFIED

HOUSTON—Signed Encs Cabell, third basemon, to a two-year contract. PHILADELPHIA—Signed Charles Hudson, Tony Ghelfi, Jay Tübis and Don Carman.

FOOTBALL

wo future draft choices to Philadelphia for Mark Buben, defensive tockle, Cut Dan Llovd, nebacker; Dennis Bishop, Robert Dillon and Omnie Johnson, cornerbocks; Alfondig Hill, wide receiver; Theodore Sution, running bock; Kevin Selbel, kicker, and Mantrondy Tavior, defensive tockie. Placed Carl Allen, cornerbock; Robert Bornes, oriensive line-man; Nick Eyrk, offensive backie; Mark Stevensor, offensive guard; Tim Wrightman, tight end, and Anthony Edgar, running back.

right end, and Antiony Eagor, running back, an Injured reserve. CHICAGO—Cuf David Beltz kicker; Darrvi Clark, fullback; Mike Spivey, safety: Eddle Ray Walker, comerback: Mike Weston, cen-ter, and Larry White, defensive tockle. DENVER—Cut Mike Him. Hight end, and Den Meintenber Headerfer. Bleat Bahart DENVER—Cut Milks Him, tight end, and Dan Niederholer, linebacker, Placad Robert Johnson, runnino back, on injured reserve. HOUSTON—Cut James Dovis and Jerry Gordon, wide receivers; Calvin France, running back; Junior Filloga, nose guard; Ken Hartiev, punior; Darrel Jackson, augrierback; Stave Jacson, center; Marv Krakov, linebacker, and Ray Rabinson, detensive end. JACKSONVILLE—Released Bo Dennis and Steve Harper, fight ends; Brian Franco, kicker; Aoran Mitchell, safety; Jay Pennisan, conter; Wilbur Phillips, linebacker; Joe Robinson, offensive lineman; John Skiblinski, runnine bock, and Ted Vincent, defensive end. Placed Terry Parter, defensive back, on in-

Placed Terry Porter, defensive back, on in-lured reserve. Placed Buck Belue, quarter-back: Charlie Dean, detensive back: Warren

NEW ORLEANS—Cut Brod Johnson, center; Pele Speros, guard; Vince Manalla, punter; Frank Roberts, offensive lineman; Gay-

HOTELS

OKLAHOMA—Cut Sam Adams, offensive quard; Rick Engles, punter; Mike Caterbone wide receiver; Rick Moser, fullback; 1sh Or donez, kicker; Andre Hines, trackle, and Ron

ed Joe Gary, detensive end, to Birminsham for a future draft choice.

PHILADELPHIA—Traded Fronk Case, defensive end: Radney Parker, wide receiver, and Ross Kirkpatrick, aftensive lineman, to San Antonio for future considerations, Placed Vinnie DiMarinis, linebacker, and Dwan Hanks and Roser Jackson, wide receivers, an interest parkers.

National Hockey League
LEAGUE—Suspended Detroit wing Joe
Paterson for two games for receiving his
fourth game misconduct pengity of the sec-

VANCOUVER—Refurmed Jaon-Marc Lonthier, right wing, to Fredericion of the American Hockey Leogue, Recalled Jene Gillis, left wing, from Frederictor.

ARIZONA ST -- No

Undefeated Devil's Bag

Romps in 1st Outing at 3 HIALEAH, Florida - Unbeat-

en Devil's Bag, syndicated last fall for a record \$36 million, romped to a 7-length victory Monday in his debut as a 3-year-old in the Flamingo Preo at Hialeah Park. It was the sixth consecutive victory for the 1983 2-year-old horse of the year. who hadn't raced since October.

Carrying 122 pounds, Devil's Bag covered the 7 furlongs in 1:21-3/5, a second off 1977 Triple Crown winner Seattle Slew's track record. Trainer Woody Stephens said the colt's next outing will be in the 11/2-mile Flamingo Stakes on March 3, the first major tuneup in the East for the Kentucky Derby.

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OBSERVER

A Matter of Seconds

By Russell Baker

N EW YORK — When the tax porting these days."

The budget calls as you do, but afterward I used to feel good. That was because of the warm feeling brought on by the sense that I had done something for my country.

"Ask not what your country can do for you," President Kennedy counseled, "Ask what you can do for your country." This was sound advice. The sense that you have done something for your country not only makes you sleep more smugly at night, but also makes you feel important.

Aside from a few million people who actually work for the government and serve in the military. though there isn't an awful lot most of us can do for our country. Oh, you can stick a flag decal on your car, pick up discarded candy wrappers and empty beer cans from the sidewalk, obey the laws and so on, but activities like these don't really require any sacrifice.

This is why paying taxes was always so satisfying, once the pain had passed. Taxes were a sacrifice made for the country.

Sure it was hard, but I had always been comforted by the thought that I was helping keep the great engines of democracy throbbing. There was satisfaction in thinking that without me the nation would be less secure, the poor would be poorer, the courts would be even more fragile, the Congressional Record would contain more typographical errors and there would be fewer doorkeepers dozing outside the Senate chamber.

I no longer have that feeling.

The blame lies with a calculator that happened to be handy when the newspapers arrived with their impenetrable stories about the latest Reagan budget. In the past the money figures in these stories have been so gross that my pencil-andpaper arithmetic was never able to cope with them. Have you ever tried to divide 837.679,937.621 by 89.320.672 using a blunt pencil point on the back of an envelope?

The calculator's presence at my elbow opened a new horizon. "Aha!" I said, "With this miraculous machine. I will simply divide my federal tax payment into the total budget figure and find out

how much of America I am sup-

The budget calls for spending \$925.5 billion in one year. Perhaps my calculator is incorrect, perhaps my lingers were so palsied with shock that they hit the wrong keys, but if not — the federal government will spend \$105,650,680 an hour, 24 hours a day, for 365 days.

I know certain people who can spend \$680 an hour, maybe for as long as two or three hours in succession, but if you asked them to do it for 24 consecutive hours they would accuse you of brutality.

I don't know anyone who can pend \$650,680 in an hour without suffering nervous collapse, but there are doubtless a few people who can do it, and perhaps even do it for a second and third hour. Even these people, though, would, I suspect, blanch at also trying to spend another \$105 million.

To get the problem down to human scale, I asked the calculator how much the government planned to spend per second. Its answer: S29.350.

Here at last was a figure that an ordinary mortal could relate to his tax bill. With the government spending around the clock at the rate of about \$29,350 a second, you can readily imagine something your tax payment can buy.

A modest yawn and stretch by the average person, for example, requires about five seconds. Hence, if you pay taxes of \$146,750 what you might be doing for your country is enabling a Senate doorkeeper to lean back in his chair and draw air deep into his diaphragm. You want something more exciting? Half the countdown from 10 to

blastoff at a rocket launching. If you are in the lower brackets, paying only, say, \$15,000 in taxes, the government consumes your contribution in half a second. You might like to think of yourself as financing the time it takes the doorkeeper to brush a fly off his nose or, more dramatically, as paying for one swipe of a dust cloth at the

Oval Office doorknob. Is this really doing something for your country? I guess so. Still, when it takes a year to amass it and half a second to spend it you can't help wondering about the necessity of doorkeepers and doorknobs.

New York Times Service

Portrait of an Arab Diplomat

Prince Bandar bin Sultan Is Saudi Arabia's Man in Washington

Force college of Cranwell and acquired tastes for expensive sports cars, jets and the protection provided by Welsh bodyguards.

By Donnie Radcliffe

Washington Past Service

captain commanding the 7th

Royal Saudi Air Force Squadron.

a pilot he knew came up to tell

sive automobiles, you're rich and

your father is the minister of de-

fense. Bandar." said the envious

his a- and conquered this king-

Where Bandar bin Sultan,

grandson of a king, son-in-law of a king, nephew of a king, is today

tells a lot about Arab world politics. At 34, he is Saudi Arabia's

ambassador to Washington, the

first member of the royal family

to hold that position. He is also

the personal representative of his

uncle, King Fahd, to the White

Mideast with the Saudi diplomats

trying to sell the Saudi peace plan

for Lebanon, has told friends he

Few ambassadors are so much

at the center of events or carry so

much clout. When Bandar arrived

last fall, he was already regarded

as a major figure by the Arab

diplomatic community. All the

Arab ambassadors greeted him at

As the fighting in Lebanon in-

creased, Bandar became deeply

involved as an on-the-scene nego

tiator. Even so, he was taken by

surprise by President Ronald

Reagan's announcement of the

his honor given by Ambassador Abdallah Bouhabib of Lebanon,

Bandar, looking at Mr. Reagan's

national security adviser, Robert

C. McFarlane, said Saudi Arabia

was committed to standing by all

Bandar had been ambassador

barely two months when he met

privately with Mr. Reagan, an

honor not yet accorded the Israeli

ambassador, who has been in

Despite the splendor of the for-

mal setting in the Virginia man-sion the Saudi government owns.

Bandar is the country gentleman

in English tweed and gray flannel.

After going to school in Saudi

Arabia "like everybody else." he

Washington since June.

factions of the Lebanese people.

The next night, at a dinner in

has been "very discouraged"

about the U.S. role there.

House.

the airport.

Marine pullback.

dom, you'd be where I am."

"You've got a big home, expen-

him what a lucky guy he was.

ASHINGTON - When

Bandar bin Sultan was a

"My family has been in the pilot, "you've got it made."
"Well," replied Bandar, "if
your grandfather had gotten off leadership of the kingdom for 250 years." Bandar says. "Twice only within those 250 years we were not, and those two times were because there was a foreign inva-sion of the kingdom — the Turks once, and, 150 years ago, the Egyptians. And who gets the foreigners out of the country? A Saudi prince."

Bandar's grandfather, Abdul Aziz ibn Saud, founder of the modern Saudi state, died in 1953 and was succeeded by his highliving, free-spending eldest son, Saud, until the royal family de-Bandar, who is currently in the posed him.

"In your country you are so proud that you almost impeached a president, and you use that to justify or prove that the system worked. Well, we impeached King Saud . . . because you cannot go outside the law of the

Abdul Aziz's second son was the erudite and ascetic Faisal, who as foreign minister and later prime minister was regarded as the Arab world's quintessential tactician. He became king in 1964. In 1975 he was assassinated, and succeeded by Khalid and then Fahd. Bandar's father. Prince Sultan, is in line to be the next crown prince.

Bandar's wife. Princess Haifa, is his first cousin, Faisal's daughter. Friends say the marriage was not arranged, but it brought the dominant and influential Sudeiri wing of the Saudi royal family together with the other most important wing, Faisal's.

"I'm very happily married," said Bandar, laughing; by now he is used to being asked why he only has one wife. "It's more than I can handle anyway." He is the sev-enth of 22 children of Prince Sultan, who has had several wives.

Bandar and Haifa have four children, and his happiest moments, he says, are the weekends he spends with them. He is an avid skier, and in December, when his children were on holiday from the private schools they atattended the British Royal Air tend in Washington, he flew them



Bandar: "I always had to prove that I could do it."

in the private embassy jet to Colorado. They also ski in France, where all of King Faisal's chil-

He said he saw himself as "a simple soldier" who has a duty to his country. "If I had the option. it would be lovely to sit in the background and be a classic Saudi, because Saudis are not sensational people." He draws inspiration from military figures. A friend says he watched the movie "Patton" over and over for relaxation during the battle over U.S. airborne warning and control system planes for Saudi Arabia.

Bandar spent 16 years in the Royal Saudi Air Force, moving up from cadet to lieutenant colonel. He left the service last summer after more than a year as defense and armed forces attaché at the embassy in Washington.

"I had to do almost everything

career, "because I always had to prove that I could do it. I joined the air force because I get an instant feedback from the airplane. Aircraft don't give a damn if you're a prince or not. Either you know or you don't know. If you don't know, you're dead."

When asked whether one should address him as Prince Bandar or Ambassador Bandar, he says: "It doesn't bother me too much. I know who I am." Bandar was a provocative fig-

ure in Mideast politics before he became ambassador. In 1978, when he was 29, the Saudi royal family sent him to lobby for about \$3.5 billion in U.S. military hardware. Three years later, he played the same role in the campaign for the AWACS planes. When he was named ambassa

dor, he also became the Saudi representative in efforts to bring - plus," he says of his air force about a cease-fire in Lebanon.

"Believe me when I say the Syrians are not as bad as you think." Bandar said. "But definitely, the: Israelis are not as good as you think. We're not lobbying you to be against Israel but to call a spade a spade, make the other side feel you're even-handed."

A State Department source said of Bandar: "You can take upa matter of business with him and if you want a rapid answer he can get it. It's a question of degree, because they can all get answers some of the time, but in Bandar you have an Arab ambassador in the Western sense of being a real diplomat."

Others say Bandar decided early on that the way to deal effectively with Americans was to: Americanize himself. "He was a little more English in 1978," said

Bandar completed an advanced U.S. Air Force academic program in Alabama and has a master's degree in international relations from Johns Hopkins University.

Some say he was de facto ambassador even before the AWACS fight. He had a decided advantage being a royal insider. At the his townhouse, which he still owns, he discreetly provided lunch and news leads to wellplaced Washington journalists covering the AWACS story.

He also gives credit for the lobbying success of the Saudis to Menachem Begin, then Israeli prime minister. "Begin, of course, was our best ally in AWACS because every time he talked we won some more people," he said with a grin. "I'm sure he did not intend it that way, but he was my biggest trump card." There were other reasons as

well. "We got smarter. We allowed your TV and news media to come and look and report back. . . People used to accuse us of being the emotional guys and say the Israelis were the cool pragmatists. But now you're seeing it the other way around."

Not yet a familiar figure at the parties on Washington's social circuit, Bandar says he does not like "mixing for the sake of mixing," or small talk.

One thing Bandar says he learned was that U.S. officials become wiser about the Middle East. after they leave office. "I guess it I were a diplomat, I wouldn't say that, but it is the reality of poli-



British newspapers Tuesday blossomed with stories and pictures of Prince Andrew sines girl friend, Katie Rabbet (ghove), 23, a London model, apparently his first steady date since his infernational romance with Kathleen (Koo) Stark

PEOPLE

Festivities in Stockholm Planned for Manna

Galies S. Ulather 74, who re-tired as prims bellement associate of the Bolshoi Balleries 1962, will rayel to Sweden this weekend for a round of festivities in her honor. On March 6, a sculpture of her dancing that the Soviet Ministry of Culture presented to Stockholm's national dance museum will be unveiled at a gala. Tass said Bolshoi Theater dancers would be featured in a helici in honor of Ulanova showing the mystique of a dance being born." Ulanova joined the Bolshoi in 1944.

_ **□** ... Calvin Klein has been named cutstanding American talent of 1983 in women's fashion design and Perry Ellis has won the award for men's fashion from the Council of Fashion Designers of America. Mary McFadden, president of the council, said the group named Georgio Armani and Issey Miyake the most influential designers outside the United States. : '* 🔟 ·

Mayor Edward Koch of New York is in Rome to visit its mayor and other Italian officials.

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